

Testimony of Nā Alakaʻi o ʻAhahui o Hawaiʻi
Before the House Committee on Judiciary and Hawaiian Affairs

Wednesday, April 2, 2025, 2:00 p.m.
State Capitol, Conference Room 325
415 South Beretania Street
Honolulu, HI 96813

Re: Support for SB332 SD1 HD2 Relating to Foreclosures

Aloha e Chair Tarnas, Vice-Chair Poepoe, and committee members,

We are the alakaʻi of ʻAhahui o Hawaiʻi (“the Hui”), an organization of law student advocates at the William S. Richardson School of Law. For over 50 years, the Hui has advocated for Native Hawaiian justice in all areas of law, especially those affecting Native Hawaiian communities, traditional and customary practices, resource management, and environmental protection. Today we submit this **testimony in strong SUPPORT of SB332 SD1 HD1.**

Over the last two years, members of our organization have supported the Maui Komohana community in their efforts to rebuild after the wildfires ravished their lives and homes. In working with ʻohana, we found that our grieving lāhui became further victimized by outside investors employing disaster capitalism tactics, including predatory real estate practices leading to foreclosed property bundling. Unfortunately, before the Lāhainā wildfire devastation showed us how bad it has gotten, we were not doing well in keeping our people in Hawaiʻi. We must put a stop to investors owning all property and subjecting our people to their profit-and-loss whims and keep Hawaiians and locals in Hawaiʻi.

Supporting SB3322 will give local families and Hawaiians a fighting chance at home ownership. With a failing Hawaiian home award system, mounting waitlists, and disaster capitalism following the Lāhainā wildfires, we cannot afford to continue to allow investors to own all of our land and property. Opposing the bill will add to the narrative that Hawaiʻi only exists for the outside investor’s bottom line, and contribute to the mass exodus and disenfranchisement of Hawaiians and locals who have been here for generations, and rightfully belong in their homes and on their land.

Please vote in SUPPORT of SB332 and in favor of the people of Hawaiʻi and survivors of the Lāhainā wildfires.

Mahalo for this opportunity to provide this testimony.

Nā Alakaʻi o ʻAhahui o Hawaiʻi

Nā Alakaʻi o ʻAhahui o Hawaiʻi

Advocates for Native Hawaiian Justice

William S. Richardson School of Law | University of Hawaiʻi at Mānoa



**ʻAHAHUI
O HAWAIʻI**

Advocates for Native Hawaiian Justice

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Testimony of **Lahaina Strong**
Before the House Committee on
Judiciary and Hawaiian Affairs

In Consideration of Senate Bill No. 332 SD1 HD2
RELATING TO FORECLOSURES

To Chair Tarnas, Vice Chair Poepoe and the honorable members of the committee,

We are writing on behalf of Lāhainā Strong, an organization deeply rooted in our community's resilience and advocacy. Originally formed in 2018 following the Hurricane Lane fire in Lahaina and revitalized after the devastating fires of August 8, 2023, Lahaina Strong has become the largest grassroots, Lahaina-based community organization, with over 35,000 supporters. Our mission is to amplify local voices and champion community-driven solutions, which are more critical than ever as we continue rebuilding and recovering.

Lāhainā Strong stands in **support of Senate Bill 332 SD1 HD2**, which addresses the urgent need to protect local residents from the devastating impacts of a looming foreclosure crisis on Maui. With the foreclosure moratorium ending, our community is facing another wave of grief as the economic impacts of the August 8th wildfire continue to unfold.

Without intervention, disaster capitalism threatens to exploit this crisis, allowing outside investors to purchase foreclosed properties and profit at the expense of local families. SB332 SD1 HD2 prevents foreclosed properties from being bundled together for auction. Requiring individual property auctions gives local residents a fairer chance to submit competitive offers. Bundled auctions only benefit investors, shutting out families who want to rebuild and remain in their community.

This bill also prioritizes giving tenants, community organizations, and government entities the first opportunity to purchase foreclosed properties, ensuring that local homes remain in service to local people. When paired with the work of community land

trusts, this measure can help create a pool of permanently affordable housing for local residents and generational families in Lahaina.

We respectfully request the Legislature **support Senate Bill 332 SD1 HD2** to protect local residents, prevent predatory real estate practices, and preserve the integrity of our community.

Mahalo for your consideration and for your commitment to helping communities like Lahaina recover and rebuild.

Sincerely,

Lāhainā Strong



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**TESTIMONY IN SUPPORT OF SB332 SD1 HD2
HOUSE OF REPRESENTATIVES – COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS
WEDNESDAY, APRIL 2, 2025, 2:00 P.M.
VIA VIDEOCONFERENCE**

April 1, 2025

Aloha Chair Tarnas, Vice-Chair Poepoe and Committee Members,

This testimony is offered in support of SB332 SD1 HD2.

This measure will give land trusts, non-profits, tenants and government agencies an opportunity to preserve housing stock by giving them an opportunity to beat the best public sale bid to buy a property at a foreclosure sale.

This measure is necessary to address disaster gentrification resulting from the tragic Maui wildfires. Because disasters destroy housing stock, gentrification by disaster is a real threat to communities. In the particular example of West Maui, there was a shortage of affordable housing before the wildfire struck. The wildfire then destroyed 3000 housing units by some estimates. Rents skyrocketed even higher after the fire. Likewise, property values in the burn zone also increased dramatically. Community members report that vacant lots in the burn zone have listing prices that are thousands of dollars more than the appraised value of the lots before the fire.

Displacement of individuals and families is a significant harmful result that can in turn destroy communities, and it must be met with a strong policy response. Gentrification results in displacement of Native Hawaiian and multi-generational families and individuals which means that indigenous knowledge cannot be transmitted to the next generation. "Brain drain" means that indigenous knowledge does not get passed on because these traditional practices are place-based.

Allowing community land trusts and similar entities to purchase land for affordable housing protects these lands to keep our community in place. Without policy measures like this bill, the turnover of ownership of homes in Lahaina is projected to increase by 20% in the next three years, according to a report commissioned by the Hawai'i Land Trust in 2024. This turnover could exacerbate the displacement of indigenous and multi-generational families that

the disaster has already caused. This 2024 Hawai'i Land Trust report identified community ownership as a solution to this turn-over.¹

Finally, language should be included in the bill that makes clear that it applies to foreclosures by action (Part IA of HRS Chapter 667).

Mahalo for the opportunity to testify on this measure.

Sharla Manley
Native Hawaiian Legal Corporation
Equal Justice Works Disaster Resilience Program Fellow

¹ <https://www.hilt.org/resources>

‘Āina Retention For Lahaina

Expanding community ownership to build community resilience in Maui Komohana

Prepared by
Kahālāwai Consulting LLC for the Hawai‘i Land Trust (HILT)
March 2024



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All photos in this report are by Kahālāwai Consulting.

Executive Summary

The August 2023 Maui fires, the deadliest in the recorded history of Hawaiʻi, have both highlighted and accelerated long-running conflicts in Lahaina¹ over land, water, and development. One of the most significant of these is the ongoing loss of lands from local and community ownership to offshore investor ownership and the multiple negative impacts that has on Lahaina, Maui Komohana², and Hawaiʻi as a whole. In West Maui, this is further exacerbated as timeshares and short-term rentals made up more than half of residential properties in the year prior to the fires.

An estimated 95% of the lands affected by the August 8 fire were residential and commercial parcels.¹ Maintaining the identity and character of Lahaina will be impossible if remaining local families and businesses are forced out by relentless pressure from offshore real estate investors. An increase in land sales and loss of ownership to outside interests provoked by the fires could exacerbate nearly every community issue we face, including housing availability, mental and physical health, education, economic resilience, and the existing diaspora of longtime residents that has for years threatened Lahaina's cultural and social fabric. For many Native Hawaiians, the sale of ancestral lands in the wake of the fire will compound historical trauma tied to generations of forced disconnection from ʻāina. *Moreover, while the cultural impact of such devastation and land loss on any Hawaiʻi community would be massive, the historic and cultural significance of Lahaina as a capital of the Kingdom of Hawaiʻi deepens the potential loss.*

Despite new regulation and a significant outpouring of public and private aid to counter immediate displacement, *the disaster may lead to increased real estate sales and accelerated land loss in the years to come.* In the aftermath of August 8, government programs proposed to aid fire survivors have mostly focused on securing emergency housing by offering tax breaks and above-market rents to vacation rental owners and other landlords who agree to lease units to Lahaina's displaced families. Although those proposals may provide temporary housing at a time of great need, they fail to help families secure stable housing long term and exacerbate rising rent trends.

¹ This document uses one commonly accepted spelling of Lahaina, which is also supported by Hawaiian language scholars. The authors acknowledge that other scholars and kamaʻāina including the newly formed Lāhainā land trust add kahakō to the first and last a.

² Maui Komohana is a Hawaiian language name for "West Maui."

Expansion of community ownership of real estate in West Maui is one of the few solutions that promises to make homeownership more accessible and build families' wealth. Expanding ownership of real estate at the local level can have beneficial consequences at family, community, and statewide scales – and land loss can lead to the opposite. Land sales patterns from other post-disaster communities indicate the possible scale of the problem that could unfold here.

Our analysis of real estate transactions and tax data for Lahaina properties estimates that, under a scenario with a 15% increase in average residential sales as documented in other disaster-ravaged communities, Lahaina could see an estimated *6.5% of residential properties totaling \$122 million change hands over the course of a year*. Within three years, that equates to 20% turnover of ownership of at least \$360 million in value, with an unknown but likely significant percentage transferring local to investor ownership due to disparate capital access between local families and investors. As the forces driving individual owner choices bear down on in the months and years ahead, timely action can address this challenge.

This report outlines opportunities to expand community ownership of real estate to respond to the needs of Maui Komohana residents and serve as a model for future efforts throughout the pae 'āina.



Introduction

Kahālāwai Consulting, an O`ahu based firm focused on the management of environmental conflict, was retained by the Hawai'i Land Trust (HILT) to research and analyze how expanding community ownership might support a thriving Lahaina and Maui Komohana in the wake of the August 8, 2023 fires. This report was prepared by its principal, Jonathan Likeke Scheuer, with the assistance of Maui-born and based associate Marina Starleaf Riker, who lost the home she was renting in the Kula fires.

The motivation for this work is the threat of accelerated land loss by local families and businesses in the wake of the fires. This issue quickly emerged post-disaster as a significant policy issue, as well as a widely held area of community concern. Accelerated loss of land can both be logically predicted to occur as a result of the fires and would match patterns of “disaster capitalism” seen elsewhere in the United States. The report draws on research and analyses of state and county tax data to estimate the financial toll of the fire’s destruction in Lahaina – data that has so far been limited in its availability. We also undertook a review of available academic studies on land trust operations, as well as a thorough examination of news archives and industry literature from across the continental U.S. and abroad.

Research from across the continental U.S. show that without equitable investment, disasters widen the wealth gap between those who have the resources to rebuild and those who don’t. A 2018 study by researchers at the University of Pittsburgh and Rice University found that people who are white, own homes, and have college educations generally see their wealth *increase* in disasters’ aftermaths, in part because of government-funded projects and insurance payouts. In contrast, people of color, renters and those without higher levels of education are *more likely to lose jobs, be displaced and pay higher rents* when existing housing shortages are made even more acute by disasters. Notably, the study found that *counties that received more aid from the Federal Emergency Management Agency experienced exacerbated wealth inequality.*

Across the continental U.S., a growing number of organizations focused on expanding community ownership have been born in the wake of disasters to create sustainable housing solutions that embrace climate resilience, while providing perpetually affordable housing for families who might otherwise struggle to remain in their hometowns. In the immediate aftermath of Hurricane Irma, for example, the Florida Keys Community Land Trust was started with \$1 million in seed money from local donors to build cottages elevated 12-feet to protect against flooding and built to withstand winds of 200 miles per hour. Along the Texas Gulf Coast, the Houston Community Land Trust was created in the year after Hurricane Harvey's landfall with more than \$50 million in municipal funding to move residents into safe neighborhoods outside of flood zones.

There are various kinds of programs or organizations that can be established in order to address land loss and increase community ownership of real estate. Some of these are well represented in Hawai`i, and some do not exist at all. While historically there has been a gulf between conservation land trusts that focus on conservation and agricultural lands and Community Land Trusts that focus on residential real estate, the organizations are fundamentally similar. There is a growing movement for these land trusts to expand activities and partner with collaborating organizations to serve the diverse needs of their communities. The pioneering organizations in these efforts have seen multiple community and organizational benefits from this diversification.



I. The Problem: Land Loss in Lahaina, Accelerated by Wildfire

In the late 1840s, over 70 years after the first arrival of westerners, Lahaina was still a carefully managed and well-watered wetland settlement that was a seat of government and culture in the Hawaiian Kingdom. More than 170 years later, immediately prior to the August 8, 2023 fires that killed at least 100 people and destroyed upwards of 2,000 structures in Lahaina, the town had been transformed into a dry and vulnerable tourist destination where local families were being forced out, and many sites of immense cultural significance were hidden — and in some cases nearly obliterated. Across Maui Komohana, there were nearly three times more short-term rentals and investor-owned houses than owner-occupied homes², with a sizable number of all units devoted to transient accommodations. Particularly for Native Hawaiians but for almost all Lahaina kama`āina, continued residence in Lahaina represented a regular financial and cultural struggle against powerful forces from beyond our shores.

Even before the ashes from the fires cooled, the ongoing conflict over land ownership and stewardship in the area reignited. The fires were immediately followed by community members' reports of solicitations from outside investors offering to purchase family properties. A subsequent unprecedented gubernatorial emergency order penalizing outside solicitation for real estate sales has offered an unknown level of temporary protection.

Land loss in Lahaina and across Hawai`i has been an ongoing problem. It was thrown into sharp focus and threatens to disastrously accelerate after the Maui fires. In order to estimate the potential for continued loss of community ownership in real estate in Lahaina, this part is structured as follows:

- First, we lay out reasons why the fire and its aftermath may lead to real estate sales and accelerated land loss.
- Secondly, we very briefly describe why increasing ownership of real estate at the local level can have beneficial consequences at the family, community, and statewide scales.
- Third, we briefly review some information on land sales from other post-disaster communities that indicate the possible scale of the problem here.
- Next, we apply this information to our analysis of overall data available on the fires impact on real estate to estimate the potential scale of the challenge in Lahaina.
- Finally, we conclude with consideration of how timely action to address these issues would be beneficial.

How the Fires May Accelerate Land Loss

Since the fires, the implementation of existing federal disaster programs and the creation of new efforts for Maui has been significant. Programs aimed at staving off land loss and providing relief for survivors range from a federal foreclosure moratorium through May 2024, multiple direct financial assistance programs, the above referenced penalization of unsolicited land offers by executive order, and various housing efforts. In the aftermath of August 8, government programs proposed to house fire survivors have mostly focused on securing emergency housing by offering tax breaks and above-market rents to vacation rental owners and other landlords who agree to lease units to Lahaina's displaced families. *Although those proposals may provide temporary housing, they fail to help families secure stable housing long term and may also exacerbate rising rent trends.*

Despite the resources and efforts being used to address the post-disaster housing crisis, there may be landowners who will voluntarily sell, though in circumstances not of their choosing. The reasons for this are varied and can be overlapping and include:

Uncertainty on reconstruction permitting and timelines will remain a pressing issue for months and years to come. At present, there is no reliable estimate on when property owners will be allowed to rebuild; as of March 2024, cleanup of fire debris has only begun. In addition, there may be multiple categories of properties where the county could consider restrictions on how or what can be rebuilt. This may include commercial properties on Front Street that lie within the predicted sea-level rise inundation zone; parcels no longer compliant with current lot size requirements; areas where additional community ingress / egress is sought; and areas of cultural significance where groups seek to restore previously buried or obliterated cultural sites.

Financial burdens to landowners over the rebuilding period will be significant. Both commercial and residential owners of buildings destroyed in the fires have to continue to pay for many costs associated with their unusable properties (including mortgages), even with temporary county tax relief in place. At the same time, they need to pay rent on replacement properties. They are doing so in the face of rents rising due to multiple factors, including reduced inventory, renewed demand for short-term vacation rentals, and significant rental subsidies from state and federal sources. Uninsured and underinsured owners will be hit hardest.

Employment and income uncertainty will further exacerbate many family and business decisions. Until rebuilding commences at scale, many jobs have simply vanished. For others, while their jobs in an impacted areas may still exist, if they have lost their residence in the fires, they may now face unviable commutes from Central, South, or Upcountry Maui. Business owners in Lahaina will

continue to be impacted by the sharp loss of visitor traffic, even for businesses not directly in the burn zone.³

Cleanup and rebuilding impacts will continue to exacerbate problems. Some property owners whose homes did not burn must still undertake replacement and repairs to address smoke and ash damage to otherwise untouched structures.⁴ Traffic, construction-related issues, disturbance of soil and creation of airborne particulates will make for difficult living and rebuilding conditions. Even with government-managed air and water monitoring efforts, distrust and unease with assurances of safety can lead people to not want to live in the area during or even after rebuilding.

Emotional impacts and post-traumatic stress will continue to impact the community for years to come. For those who lost loved ones and/or whose lives were deeply intertwined with Lahaina, there may simply be too much psychological trauma to be faced if an effort is made to stay and rebuild.

These forces alone as well as in combination will impact local property owners' decisions on whether to retain or sell their properties. They will also impact the same choices of offshore investor owners, whose investment expectations have been inevitably altered by the fires.

Unquestionably, every effort should be made to help those who wish to stay. However, it is also clear that circumstances will lead to sales. When this occurs, both local owners and offshore investor owners can sell land either to local and community-based interests or to offshore interests. **We are in a moment where key investment in community ownership of real estate could decelerate, or perhaps even reverse the significant problems of land loss in Lahaina. Expansion of community ownership of real estate in West Maui is one of the few post-fire solutions being discussed that promises to make homeownership more accessible, build families' wealth, and stabilize the presence in the area. Although much of this report is focused on housing, the key area of community concern, these solutions can be applied across land use types.**

The Threats of Land Loss – And Benefits of Increasing Community Ownership of Real Estate

At the individual and family level, the value of home ownership is, and has been a core part of United States for over a century. While not appropriate for all owners or all stages of life, home ownership brings stability to the individual, to the family, to the neighborhood, and to the community. Some models for maintaining community-level investment in residential real estate as a means of preserving value and community identity are common in Hawai`i, including condominiums, cooperatives, and planned communities.

Organizations like community land trusts, which are specifically oriented towards maintaining affordable, owner-occupied residential properties, help to maintain the culture and character of a place and avoid displacement due to investment forces from outside. They help increase family wealth and stability. With housing costs and living situations stabilized, families have more ability to invest in their families and communities.

While not as widely implemented, similar organizational structures are available for commercial real estate. This can ensure accessible and affordable local business space and services where market

³ While potentially harsh sounding, "the burn zone" is how at least some Lahaina kama`āina working on cleanup and cultural monitoring in the area are referring to the fire-impacted parts of the town.

⁴ Personal communication with authors.

pressure might lead to outcomes that are good for investors, but do not necessarily serve local residents.

Recently *Hawai`i Business Magazine* investigated the increasing role of private equity in hotel ownership, an ownership model that is heavily represented in Maui Komohana. While a locally-based private equity firm would stretch definitions of community ownership of real estate, even in that case, local community-based ownership stakes appear to have been of great significance according to some stakeholders post disaster.

With the benefits of increasing community ownership of all kinds of real estate clear, we next turn to describe the scale of the land loss problem that we face in Lahaina. To do that, we begin by looking at the experiences of other post-disaster communities to help understand what might occur on our shores.

How Have Land Transactions Changed Post-Disaster in Other Communities?

While disaster capitalism is offensive to the core, it is not uncommon in the days and months after catastrophe strikes. In the wake of Hurricane Katrina in August 2005, the *Los Angeles Times* reported on the rush of speculators who descended on New Orleans — before the flood waters themselves had receded. For the first quarter of 2006, the sales volume of single-family home transactions in the greater New Orleans area stood at \$826 million, a 60% increase from that period the year prior, *NBC News* reported. A report by the *Brookings Institution Metropolitan Policy Program* identified a “homebuying frenzy” that continued throughout the year, with the monthly average of single-family home sales rising 14%. Fair market rents, meanwhile, skyrocketed 39%.

Similar situations have played out in a number of disaster-ravaged communities across the continental U.S. since then. A *Wall Street Journal* analysis found that home sales rose 17% in the five months after a 2017 fire destroyed parts of Santa Rosa, California. Local media in Florida reported that home sales in the county hit hardest by Hurricane Michael in 2018 rose by more than 15% in the months that followed. And even though home listings and sales initially plunged after Hurricane Ian slammed Cape Coral-Fort Myers in 2022, both listings and transactions soared beyond industry projections in the five to six months that followed, according to the *Florida Realtors Headquarters*.

Numerous studies from across the continental U.S. have also shown that natural disasters can fuel increases in both rental and home sales prices. As a columnist for *Forbes* noted, “Reports show that hurricane damages actually cause housing market prices to go up. Therefore, as a real estate investor, you should be inclined to invest in properties that surround the Atlantic Ocean due to this positive impact from these natural disasters.”

The disaster-fueled real estate speculation can widen wealth inequality and drive displacement for years after the immediate threat of the disaster dissipates. A decade after Hurricane Katrina, it was estimated that 100,000 Black community members were displaced from New Orleans; a 2019 study later found that New Orleans neighborhoods damaged by the hurricane were more likely to gentrify.

Scale of the Problem: Real Estate in the Burn Zone

Predicting how these patterns may play out in Lahaina also requires an understanding of the overall impact of the fire on real estate parcels and values. Even with the sharp focus from government leaders, media outlets and researchers on the Lahaina community in the aftermath of the fires, there is limited available data to estimate the financial scope of the damage in Lahaina.

In the wake of the fire, Maui County implemented property tax waiver programs for owners of destroyed parcels, and the Real Property Assessment Division assigned such properties' taxable value as zero. Because no comprehensive data exists to understand the current assessed or market value of burned parcels, we believe assessed values assigned by Maui County's tax division in March 2023 prior to the fire provide one of the few publicly available data sources to estimate property values. Those figures, however, do not equate to market values on Maui, where the sales prices of properties often soar hundreds of thousands of dollars above the value assigned by the tax division. It is also unclear whether that phenomenon will continue – or reverse – in the fires' aftermath.

Table 1 below reviews these data that have been gathered and analyzed for this report.

Table 1. Estimated Scope of Real Estate Impacts in Lahaina

Tax class	Total parcels in Lahaina	Parcels destroyed	Pre-fire assessed land and building value of destroyed parcels	Pre-fire assessed land value of destroyed parcels
Owner occupied	1,265	805	\$671,110,300	\$435,711,500
Long-term rental	88	70	\$61,440,400	\$39,395,300
Apartment	54	50	\$107,124,400	\$43,577,700
Non-owner occupied	1,331	671	\$495,906,800	\$360,363,600
Commercial	186	110	\$486,824,900	\$354,844,800
Commercialized residential	7	6	\$10,000,800	\$4,237,900
Short-term vacation rental	230	104	\$166,816,100	\$122,773,400
Hotel/Resort	456	200	\$44,596,000	\$29,390,500
Conservation	59	2	\$4,332,700	\$4,305,400
Industrial	255	122	\$60,027,600	\$37,842,400
Agricultural	269	10	\$1,590,200	\$1,325,000
Total	4,200	2,150	\$2,109,770,200	\$1,433,767,500

Source: Analysis of TMK parcels for the County of Maui as of April, 2023, Hawai'i Statewide GIS Program, Maui County Real Property Assessment Division parcel data and County of Maui Wildfires 2023 Property Tax Remission Viewer data provided through Uniform Information Practices Act. Parcels include condominium properties. Find a more on methodology on this analysis in Appendix 1.

Because of the difference between tax assessment and sales prices, the value of \$2 billion in property that existed in the immediate area surrounding the burn zone in Lahaina is likely an

underestimate. By way of reference, the Pacific Disaster Center estimates the costs to rebuild will exceed \$5.5 billion³.

Table 2 reviews these data and extrapolates the potential market turnover based on the five-year average for the number of annual single-family home and condominium sales in Lahaina that were recorded by the Realtors Association of Maui's market statistics. Between 2019 and 2023, Lahaina saw, on average, 164 transactions occur each year, equating to annual turnover of 5.5% of residential properties in the area. Using those figures, we extrapolated the possible impacts on the housing market if there was a 15% annual increase in the number of residential sales in the fire's aftermath. This estimate was informed by the documented trends in New Orleans, Santa Rosa and Florida in disasters' wakes.

The final column estimates that, if increased residential property sales materialize over the next three years, nearly 20% of properties might be offered for sale and vulnerable to offshore acquisition, regardless of current local or offshore ownership.

Table 2. Estimated residential market turnover and sales volume

Tax class	Total parcels in Lahaina	Estimated total assessed parcel value	Projected annual sales with pre-fire turnover (5.5%)	Projected annual sales with 15% increase (6.4%)	Projected three-year sales with 15% increase (19.2%)
Owner occupied	1,265	\$782,406,600	\$43,032,363	\$50,074,022	\$150,222,067
Long-term rental	88	\$64,600,600	\$3,553,033	\$4,134,438	\$12,403,315
Apartment	54	\$46,064,700	\$2,533,559	\$2,948,141	\$8,844,422
Non-owner occupied	1,331	\$584,964,600	\$32,173,053	\$37,437,734	\$112,313,203
Commercialized residential	7	\$6,053,800	\$332,959	\$387,443	\$1,162,330
Short-term vacation rental	230	\$416,583,000	\$22,912,065	\$26,661,312	\$79,983,936
Total	2,975	\$1,900,673,300	\$104,537,032	\$121,643,091	\$364,929,274

Estimated assessed total parcel value includes the land values of all parcels in Lahaina and the building value of parcels that were not destroyed, based on pre-fire 2023 assessment values.

These estimates, however, are just estimates. What actually will occur has significant uncertainties as Lahaina's housing market is greatly dependent on a wide range of both hyperlocal and national factors, ranging from the speed of debris removal and the expiration of mortgage forbearance to national fluctuations in interest rates. It is not possible to reliably predict at this point how long it will be until Lahaina's homeowners can begin to rebuild or whether government

agencies will step in with additional financial assistance programs aimed at preventing foreclosures or forced sales. Changes in land use regulations, building codes and zoning at a state and county level could also greatly influence whether property in the burn zone will be viewed as a profitable investment opportunity for real estate speculators. In the months since the fire, for example, community members and Maui government officials have called for the phasing out of short-term rentals and implementation of deed restrictions aimed at making housing stock more attainable for local families, which are *policies that could reduce investors' interest in Lahaina's real estate*.

With those caveats, based on the last five years of residential transactions, if the average rate of pre-fire residential property sales continued without any increase, an estimated \$314 million in property would still change hands. Under a scenario in which property sales increased by 15%, one that has been documented in numerous disaster-ravaged communities across the continental U.S., it is our estimate that \$365 million of Lahaina residential properties could come up for sale over the next three years. Cumulatively, this could mean nearly 20% of residential properties in Lahaina would change ownership in the next three years, with a significant portion at risk of being transferred to offshore investors who don't face the same survival-based choices as Lahaina's fire survivors.

The Value of Timely Action

Since the August 8 fire, property sales have continued in Maui Komohana, although at a lesser volume than before, likely due in part to the government programs described earlier. In Lahaina, the first sale of a destroyed property recently made headlines: A short-term rental at the Aina Nalu complex that was listed at \$124,700 and closed on Nov. 6 for \$140,000, "after multiple offers were made," [KHON2 reported](#).

Monthly market statistics compiled by the Realtors Association of Maui show that there were 17 other transactions in Lahaina from September through February, totaling more than \$25 million. During that same timeframe, communities spanning from Ka'anapali to Kapalua saw nearly 140 sales of condominiums, vacant land and single-family homes – more than \$189 million in transactions in six months.

In the months to come, as mortgage forbearance ends and federal relief expires, uninsured local families who own property in the burn zone may feel they have no other choice but to sell their properties when faced with years of mortgage payments for homes that no longer exist. Currently, mortgage services are prohibited from initiating foreclosure actions, but those protections are [set to expire after May 6, 2024](#).

Even if families manage to hold onto their properties, they're still likely to run into financial barriers if the gap between government assistance and insurance payouts fails to cover construction costs. [Preliminary data compiled by the Hawai'i Insurance Division](#) estimated that \$660 million dollars has been paid through claims so far for residential property losses in Lahaina, with total losses in the communities reported at nearly \$1.3 billion. That means that an estimated half-billion dollars in residential losses have not been covered by insurers.

The implications of this analysis, if it approximates the true scale of the problem, are significant. The potential required investment to help maintain and increase community ownership of real estate in Lahaina would dwarf previous land trust transactions in the islands and represents about one-third of the 2023 annual budget of Maui County. With the potential scale of the problem estimated, we next examine what different kinds of efforts and organizations could bring to bear on addressing the challenge.



II. Existing Capacity for Decelerating Land Loss in Lahaina

Land Trusts are a proven method to acquire and hold community interests in real estate. However, they exist as only one of a number of kinds of programs that can be established – either in response to a disaster or to ongoing challenges – in order to increase community ownership of real estate.

Table 3, below, briefly lists these kinds of models, describes them, their real estate class focus and gives examples, Hawai`i based if they exist.

Table 3. Models for Holding Community-owned Real Estate⁵

Ownership Model	Description	Land Classes	Examples
Ali`i Trusts	Trusts established by the wills of Hawaiian ali`i, leaving land and personal property for particular purposes	All, though residential lessened since leasehold reform	Kamehameha Schools, Lunalilo Trust
Land Trusts	501(c)3's with a geographical service area and focus on acquiring fees, simple or conservation easement interests	Primarily conservation and agricultural	Hawai'i Land Trust, North Shore Community Land Trust
Community Land Trusts	501(c)3's commonly hold ground leases to residential real estate for either owner occupied or third-party managed rental properties	Primarily residential	Nā Hale o Maui, Lāhainā Community Land Trust , Ho'omaluhui Community Land Trust
Commercial Community Land Trusts	Like Community Land Trusts but focused on commercial real estate	Commercial	Anchorage Community Land Trust
Limited Equity Coop	Residents purchase a share in a development and agree to sell based on a pre-determined formula	Residential	Various projects of the Lopez Community Land Trust
Neighborhood REITs	Allows mission-related investors and residents to invest in income producing real estate	Commercial	Nico Echo Park, Benefit Corp, Inc.
Community Investment Trust	Offers a long-term path to collective, communal ownership of real-estate for investors with small investments	Commercial	East Portland CIT
Nonprofit Affordable Housing Developers	Develops and holds rental housing and/or owner occupied fee simple or leasehold ownership	Residential	Permanently Affordable Living (PAL) Hawai'i, Hawai'i Island Community Development Corporation

On Maui and in Hawai`i, outside of Ali`i trusts, the existing organizations that already operate and have at least some infrastructure in place to assist in Lahaina are Land Trusts, Community Land Trusts, and a few land-trust like entities. The following is a non-exhaustive list of Land Trusts and Community Land Trusts operating across the islands:

- **Hawai'i Land Trust (HILT):** Today, HILT protects more than 22,553 acres, with a focus on coastal lands, wahi kūpuna (Hawaiian cultural landscapes), and lands that produce healthy food for Hawai'i's people.

⁵ Adapted from [The emerging solidarity economy: A primer on community ownership of real estate](#).

- **Nā Hale O Maui:** The non-profit organization was founded in 2006 with a mission to “secure and preserve a permanent supply of affordable housing alternatives for low and moderate income households in Maui County.”
- **Lāhainā Community Land Trust:** A group of volunteers with deep ties to Maui Komohana are in the early stages of developing a community-led land trust with a focus on acquiring and stewarding lands for longtime Lahaina community members who want to “sell in”⁴ rather than “sell out”.
- **Kulaiwi Land Trust:** A newly formed organization that aims “to be a catalyst and a receptacle for the return of Native Hawaiian lands to Native Hawaiians for Native Hawaiian use in the areas of culture, education, health, and wellbeing.”
- **Hawaii HomeOwnership Center’s Housing and Land Trust:** This O`ahu-based nonprofit was established in 2015 to provide permanently affordable homes for residents of O`ahu. The land trust operates within the corporate umbrella of the Hawaii HomeOwnership Center.
- **Ho’omaluhui Community Land Trust:** Nonprofit housing developer Permanently Affordable Living (PAL) Hawai’i launched the land trust in 2022 to provide affordable leasehold ownership options.
- **HALE o Hawai’i:** Founded in 2018 by a hui of community members, the organization aims to “to secure and preserve a permanent supply of affordable housing alternatives for the working families of Hawai’i County.”
- **Moloka’i Land Trust:** With a focus on protecting conservation lands, the nonprofit works to “restore the land, natural and cultural resources of Moloka’i and to promote, educate, and perpetuate the unique Native Hawaiian traditions and character of the islands for the benefit of the future generations of all Moloka’i, particularly Native Hawaiians.”
- **Molokai Heritage Trust:** A community-led nonprofit formed in response to community meetings in 2022 that recognized residents’ desires to acquire and manage Molokai Ranch lands.
- **North Shore Community Land Trust:** Created in 1997 to “protect, steward, and enhance the natural landscapes, cultural heritage, and rural character of ahupua’a from Kahuku Point to Ka’ena on the North Shore of O’ahu.”
- **Moku o Keawe Land Conservancy:** A 501 (c)(3) non-profit organization founded to conserve land and water resources on Hawai’i Island.
- **Hālawā Valley Land Trust:** Stewards parcels in remote Molokai that are used as community classrooms and for kalo cultivation.

Are Conservation and Community Land Trusts Fundamentally Different?

Conservation land trusts have operated in the continental U.S. for more than a century with a focus on protecting of critical ecosystems, native wildlife and cultural resources.⁵ The community land trust (CLT) model was born during the civil rights movement and has historically focused on social justice⁶, stewarding lands for the benefit of the community as a whole. In recent decades, the CLT movement has largely centered on providing safe housing for families that remains affordable in perpetuity by separating the ownership of land from the home itself, selling the structure — such as a single-family home — to income-qualified purchasers along with a 99-year ground lease.⁷

Separately, individual conservation land trusts and the Land Trust alliance have begun to explore the ways in which “traditional” land trusts can start to address the pervasive affordable housing problems across the United States. Perhaps due to the different histories and often independent operations,⁸ many involved with conservation land trusts and community land trusts hold the

assumption that their missions are separate and incompatible. Indeed in the post-fire discussions on community-held real estate hosted by the Hawai'i Community Foundation that were facilitated as part of this effort, local through national participants made statements that repeatedly differentiated and contrasted community land trusts and conservation land trusts as if they were non-overlapping organizations.

This distinction, however, is a false dichotomy. The business activities of both types of entities are largely identical – raising funds, identifying desired kinds of properties, negotiating with landowners, closing transactions, managing fee simple, leasehold, or easement property interests, and engaging with government and community to forward their mission. While community and conservation land trusts differ in terms of the maintenance of housing or commercial properties compared to conservation or farming properties, the transactional and organizational management work are identical and the required skill sets are largely the same. For many organizations, the existing approved mission statements are broad enough to encompass multiple kinds of real estate transactions and holdings.

Groups Bridging the Gap Between Conservation and Community Land Trusts

A growing number of organizations across the continental U.S. have instead increasingly recognized the critical relationship between conservation and community, expanding portfolios to protect the inseparable connection between both people and place.

While nascent, at least a dozen land trusts from across the continent, spanning from New York City to rural communities in Washington, embrace a diversified portfolio model to foster institutional stability and meet the diverse needs within communities.

- In Georgia, the Athens Community Land Trust was created in 1994 to bring innovative solutions to accomplish two goals: protect open spaces and keep housing affordable. The dual-missioned land trust is one of the few in the country that works to protect a wide range of lands and housing types, including affordable rental housing, attainable for-sale homes, farmland and forests. ALT protects 20,463 acres through conservation easements and has housed 74 families and 370 individuals through affordable for-sale and rental homes.
- In New Mexico, the Sawmill Community Land Trust was founded in 1996 to help build a healthy neighborhood in a former industrial site plagued by serious environmental pollution from a former particle board factory. The land trust oversaw the environmental clean-up and redeveloped 34 acres into a thriving neighborhood of 93 affordable ownership homes, three affordable apartment complexes, community gardens, playgrounds and a plaza.
- In Washington, OPAL Community Land Trust works to “bridge the gap between the island’s high property values and the modest incomes of many who live and work here,” by stewarding 109 single-family homes, 82 rental apartments, 3,600 square feet of rental office space, five community gardens and open space. OPAL households represent nearly 5% of the estimated full-time residences on Orcas Island. The trust recently partnered with the island’s local food bank, community foundation, and community resource agency to purchase a property that will one day be developed for supportive rental housing, a new food bank facility, and office spaces for social service agencies, medical and dental hubs, with a section of the parcel preserved as wetlands and an ecological buffer zone.
- The Dudley Neighbors Incorporated Community Land Trust was created to assume ownership of 1,300 abandoned parcels that had been acquired through eminent domain by the City of Boston. Three decades later, the DNI CLT stewards 227 units of affordable housing including: 97 units of permanently affordable homeownership, 77 cooperative

housing units and 53 rental units; an urban farm and 10,000-square-foot community greenhouse; a playground; and multiple commercial buildings that are leased to local businesses and organizations.

- Since its establishment in 1989, Seattle-based Forterra has evolved to steward a wide range of conservation lands, while also expanding into policy innovation and community real estate development. Besides existing conservation stewardship, current community development projects include: the purchase a 48-acre parcel to build affordable homes outside of the floodplain in Town of Hamilton; the reclamation of an entire city block in Tacoma centered around preserving Black culture and preventing gentrification through the redevelopment of housing and community commercial space; and a partnership with the Abu Bakr Islamic Center in Tukwila to convert an old motel across from their mosque into affordable housing and micro-retail space to meet the needs of local Somali immigrants.

There is also a growing movement to embrace **partnerships with peer organizations or other established community organizations**. Spanning from Seattle, Washington to Mount Desert Island, Maine, there are numerous examples of conservation land trusts coordinating with housing-focused community land trusts to chart paths for both ecologically- and economically-vibrant neighborhoods. In New York City, for example, a cohort of five conservation land trusts and five community land trusts recently came together to identify the community's intersecting needs and related opportunities for collaboration. In Seattle, the Community Land Conservancy focused on acquiring and protecting public open space while simultaneously advocating for its partner organization's efforts to develop nearby affordable housing. Land trusts have also leveraged partnerships with community organizations ranging from food banks to cultural centers to bring land into community control, and in doing so preserved community hubs, expanded access for services, and built more support from both public officials and the broader community.

A number of community land trusts across the continental U.S. have begun exploring how they can work together to meet community needs and share administrative burdens and transactional expertise. A 2021 paper by the Strong, Prosperous, And Resilient Communities Challenge (SPARCC) examined how **“hub-and-spoke”** approaches to community ownership can help break down barriers that arise from the lack of technical capacity and significant capital required to start and sustain work.

In the hub-and-spoke model, the “hub” entity serves as a centralized provider of key services like administrative support, transactional expertise and fundraising assistance, while the satellite entities — “spokes” — oversee efforts that benefit from decentralization, such as urban farms, smaller community land trusts, or tenant groups⁹. The approach has “the potential to provide greater efficiency by reducing the replication of the same operations across multiple sites,” the report states. Among community land trusts, the SPARCC report identified three distinctive approaches with each model:

- **The Backbone and Incubator:** The operational incubator, or “backbone,” entity coordinates and supports other community land trust partners, including by providing administrative services and expertise. The backbone organization also works to help nurture startup community land trusts by offering support such as mentorship, office space, fiscal sponsorship, access to financing and direct loans. Existing organizations embracing this model include Dudley Street Neighborhood Initiative, which carries out administrative functions such as payroll and human resources on behalf of its subsidiary, Dudley Neighborhood, Inc. Land Trust, which stewards the portfolio of affordable housing, urban farms and commercial spaces in Boston. The Northern California Land Trust (NCLT),

meanwhile, has served as an incubator for community ownership projects including Preserving Affordable Housing Assets Longterm, Inc., Vallejo Housing Justice Coalition and Coop 789.

- **The Network:** A network of land trusts and stakeholders join together to advocate, innovate, solve complex programs and create a powerful political force to advance the mission of community ownership. Examples include the Bay Area Consortium of Community Land Trusts, the Greater Boston Community Land Trust Network (launched by Dudley Street Neighborhood Initiative), and the Northwest Community Land Trust .
- **The Central Server:** The central server entity is incorporated to serve as a “one-stop shop” that offers a wide range of services and technical assistance to community land trusts in a specified geographic area, with a vision to increase efficiency and provide the support for start-up organizations with limited resources. This is the most expensive “hub-and-spoke” approach identified, with an estimated cost of \$300,000 or more per year. Examples include the Atlanta Land Trust, which was founded as a central server, and New Orleans’ Crescent City Community Land Trust, although both organizations were forced to evolve away from that mission because of limited revenue-generating opportunities.

In Hawai‘i, communities often don’t hear from developers until after a project is well into planning processes. By involving Lahaina residents and integrating their community wisdom early in the planning process, land trusts and partnering organizations can serve as the institutional facilitator that aids Lahaina residents in re-envisioning their longtime home, while preserving the social fabric of their community and the health of the ‘āina.



Conclusion

The Maui fires have become an inflection point for Lahaina and Hawai`i in multiple ways. One explored in this report is the increased attention to the significance in Hawai`i's long trend of decreasing local ownership and community ownership of real estate.

As discussed above, Native Hawaiians and multi-generational kama`āina families were already being squeezed out of Lahaina, unable to keep up with soaring costs of living in a town where the median price of a single-family home stood at \$1.3 million in the month before the August 8 fire. At present, preserving and growing community ownership through land trust expansion has been one of the few proposed post-disaster solutions that may help Lahaina's longtime families, many of whom were priced out of homeownership before the fire, build wealth and housing stability for generations to come.

Despite the uncertainties over the length of time between initial acquisitions and reconstruction, the underlying goal of urgently moving forward with such transactions to increase community ownership is exactly that: buying the Lahaina community time. *Pursuing acquisitions early on, before for-profit investors have more clarity on possible returns on investments, buys time for the community to work through the process to re-envision Lahaina and stave off land loss.*

We believe the report may be useful for a variety of purposes, including:

- Use of the analysis and data on post-disaster real estate for parties immediately wishing to address community real estate ownership needs and patterns in Maui Komohana;
- As a reference on the complex community interests and dynamics involved in real estate ownership and acquisition in Hawai`i.

Appendix: Research and Methodology

Kahālāwai Consulting LLC was retained by the Hawai'i Land Trust to explore how the expansion of community ownership of real estate might support a thriving Maui Komohana in the wake of the August 2023 fires. Research included a comprehensive review of available studies on land trust operations, financial models and the intersection of the community land trust movements and climate change. News archives and affordable housing industry literature from across the continental U.S. and abroad was also reviewed. Data gathering included examinations of numerous land trusts' financial information through annual tax filing forms (Form 990), in addition to analyses of county, state and federal budget documents detailing affordable housing program spending.

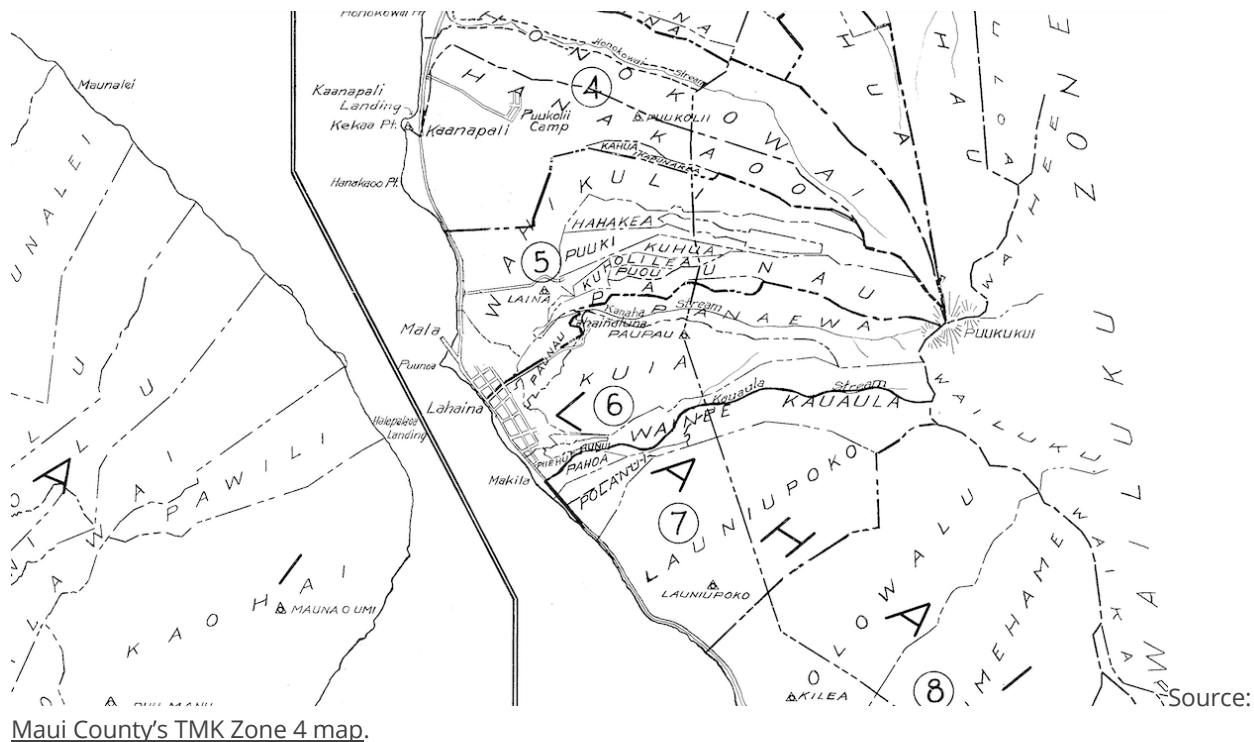
There is currently a shortage of data available to precisely estimate the financial toll of the Maui fires and the costs to rebuild destroyed properties. To produce a rough estimate of the possible transactional scope of properties offered for sale in the fire's aftermath, we relied on a number of data sets, including statewide parcel data, county-level parcel data and data obtained from Maui County's Real Property Assessment Division through the Uniform Information Practices Act, which listed the parcels destroyed in the fire. The dataset detailing fire damage, however, did not include assessed values or the property tax class of each parcel.

In the fires' aftermath, Maui County's tax division assigned destroyed properties a taxable value of zero as part of an effort to waive property taxes for owners. Because the tax division does not have an immediate plan to reassess the value of destroyed properties, our analysis relied on 2023 pre-fire valuation data.

To analyze assessed values and tax class of those parcels, we merged the county's dataset of destroyed property with the Hawai'i Statewide GIS Program's dataset of TMK parcels for the County of Maui. The state data, however, do provide granular information detailing individual units or condominiums that may exist on a single parcel. We then joined the new merged data set detailing both parcel class, value and damage status with a separate Maui County data set detailing all parcels, including the hundreds of condominium properties that exist in Lahaina.

Between the three data sources, we were able to create a single data set that possessed information detailing the universe of properties that existed before the fire, their assessed values, property tax class, and destruction status after August 8. The estimated assessed land or building value for each parcel is the sum of all Condominium Property Regime units on that parcel combined.

We filtered for properties in Lahaina by narrowing the universe of Maui County properties to TMK zone 4, sections 5 and 6.



There is limited research across the continental U.S. that has measured the likelihood of property turnover in the aftermath of disasters. This report's estimate on the percentage of properties that might be offered for sale was informed by a *Wall Street Journal* analysis that found that home sales rose 17% in the aftermath of the Santa Rosa fire; a report by the Brookings Institution Metropolitan Policy Program that documented the monthly average of single-family home sales rising 14% in New Orleans during the year following Hurricane Katrina; and media archives in Florida that reported that home sales in the county hit hardest by Hurricane Michael in 2018 rose by more than 15% in the months that followed.

Table 8. Residential Real Estate Sales in Lahaina

Property type	2019	2020	2021	2022	2023
Single-family	59	47	84	57	33
Fee simple condominium	120	151	137	67	39
Leasehold condominium	2	6	8	5	5
Total	181	204	229	129	77

Source: Realtors Association of Maui market statistics.

In those five years, there were 820 sales of single-family homes and condominiums in the Lahaina area, which corresponds to Maui County's TMK zone 4, sections 5 and 6, according to market statistics compiled by the Realtors Association of Maui. That represents turnover of 28% of Lahaina's 2,975 residential properties over the five-year period. We defined "residential property" as any in the following tax classes: owner-occupied, non-owner occupied, apartment, long-term rental, short-term rental and commercialized residential.

Based on the five-year average, approximately 164 residential transactions occur in that area on average each year, equating to annual turnover of 5.5% of the Lahaina properties. Using those figures, we extrapolated the possible impacts on the housing market if there was a 15% increase in sales volume in the fire's aftermath. This estimate was informed by the documented trends in New Orleans, Santa Rosa and Florida in disasters' aftermath.

If average yearly home sales increased by 15%, to around 189 single-family and condominium transactions per year, an estimated 19% share of Lahaina's residential housing stock would change hands over the next three years — an estimated \$365 million in residential real estate, or roughly \$122 million dollars in residential real estate transactions each year. This figure, however, is likely to vary significantly and unpredictably as Lahaina's housing market is greatly dependent on a wide range of factors, from the speed of debris removal to the county's approval of permit permits to national fluctuations in interest rates.

Endnotes

¹ Pacific Disaster Center (PDC) and Federal Emergency Management Agency (FEMA) damage assessment maps (<https://www.mauicounty.gov/CivicAlerts.aspx?AID=12683>)

² Selected Real Property Statistics for Budget Consideration; Fiscal Year 2023-2024 Handout (<https://www.mauicounty.gov/DocumentCenter/View/139896/2023-Selected-Real-Property-Stats-for-Budget-Consideration-handout-for-Council-Mayors-Proposed-Rates?bidId=>)

³ Pacific Disaster Center and the Federal Emergency Management Agency releases Fire Damage (<https://www.mauicounty.gov/CivicAlerts.aspx?AID=12683>)

⁴ Honolulu Civil Beat: “Nascent Lahaina Land Trust Starts Building A Base Of Support” (<https://www.civilbeat.org/2023/11/nascent-lahaina-land-trust-starts-building-a-base-of-support/>)

⁵ Lincoln Institute of Land Policy: “The Land Trust Movement in the US” (<https://www.jstor.org/stable/resrep18578.4>)

⁶ Grounded Solutions Network: “The Community Land Trust Model and Movement” <https://groundedsolutions.org/tools-for-success/resource-library/community-land-trust-model-and-movement>

⁷ Grounded Solutions Network: “Community Land Trusts” <https://groundedsolutions.org/strengthening-neighborhoods/community-land-trusts>

⁸ Lincoln Institute of Land Policy: “Finding Common Ground: Land Trusts and CLTs Explore New Collaborations” (<https://www.lincolninst.edu/publications/articles/2023-07-finding-common-ground-conservation-land-trusts-affordable-housing-clts-collaboration>)

⁹ Strong, Prosperous, And Resilient Communities Challenge: “Community Ownership Collaborations for Resilience and Impact”: <https://www.sparcchub.org/wp-content/uploads/2021/04/Community-Ownership-Collaborations-for-Resilience-and-Impact-Guide.pdf>



LAHAINA COMMUNITY LAND TRUST

Dear Chair Tarnas, Vice Chair Poepoe, and members of the Judiciary and Hawaiian Affairs Committee,

Lahaina Community Land Trust is in STRONG support of SB 332.

Research and analysis of recent disasters and their associated recovery efforts show that gentrification intensifies after disasters. The Lahaina Community Land Trust was formed after the Lahaina fires to stand between the community and this gentrification.

A recent analysis, based upon other post-disaster activity and the local market, estimates that Lahaina could see a 20% turnover of ownership of at least \$360 million in value over the next three years. The foreclosure moratorium on Maui ended on January 4th, and we, working on the ground, are anticipating a foreclosure crisis in the coming months as the economic impacts of the fire continue (and only intensify).

Without intervention, we know that disaster capitalism will result in investors taking advantage of this crisis to purchase foreclosed properties and profit from them later. This has the potential to be a VERY lucrative opportunity for those motivated by financial returns. We must be motivated by more than this. We must be motivated by community.

Preserving and perpetuating community means ensuring that the housing stock of Lahaina (or any other post-disaster community) has a chance to remain in local hands by:

- Prohibiting foreclosed properties from being bundled together. When properties are auctioned individually, local residents have a better chance of making a competitive offer. When properties are bundled, only investors have the opportunity to buy, likely in a premediated and strategic manner.
- Giving tenants, community organizations, and the city or state, the first opportunity to purchase. This gives local folks a fighting chance at making sure that local homes serve local people.

Paired with the work of community land trusts, this measure can help us to build a pool of permanently affordable housing for local residents and generational families in Lahaina and beyond. Here are a couple examples about how this is playing out on the ground right now, in the absence of protections like this bill:

Lahaina Community Land Trust just closed on our fifth property, which was also our first foreclosure case: a family who's fire-destroyed home and land went into foreclosure. Lahaina Community Land Trust spent 5 months, attorneys fees and worked with a team of organizations in an effort to pull their property out of foreclosure and purchase it before it went to auction.

This is one case. One case that was a test on how difficult the process is, how vulnerable our fire affected homeowners are. Extrapolate this to the ~2000 residential parcels in Lahaina town, and the effort becomes herculean.

We are also working together with a data provider in an attempt to monitor all of the residential parcels in Lahaina town for judicial foreclosures, but we still have to physically monitor newspapers to find out about non-judicial foreclosures, so we can proactively reach out and work with homeowners to first: help keep them on their land, and then, only if they need to sell, 2) purchase the land on behalf of the community.

This is resource and time intensive.

This bill will solve these time and resource intensive problems and enable us to focus on primary challenges: keeping Lahaina folks home.

In summary: This bill will have a significant impact on the Lahaina community's ability to stem the tide of disaster capitalism and gentrification today... and set Hawaii at large up for a healthy community response to the next natural disaster.

Mahalo nui loa for your support,

Autumn Ness
Executive Director
Lahaina Community Land Trust



SB-332-HD-2

Submitted on: 3/29/2025 10:05:03 AM

Testimony for JHA on 4/2/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Shay Chan Hodges	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Tarnas, Vice Chair Poepoe, and Members of the Committee,

I am writing in full support of Senate Bill 332 SD1 HD2, which is critical in protecting local families from displacement as Maui faces an impending foreclosure crisis. The August 8th wildfire devastated our community, and with the foreclosure moratorium ending, many survivors are now at risk of losing their properties. Without intervention, disaster capitalism will exploit this crisis, pushing local families out while outside investors profit.

SB332 SD1 prevents bulk sales of foreclosed properties, ensuring homes are sold individually so local families have a real chance to purchase them. Large-scale, bundled auctions only benefit investors and developers, shutting out residents who want to rebuild and remain in their hometown.

This bill also prioritizes community ownership, giving tenants, local organizations, and government entities the first opportunity to buy foreclosed properties. This approach keeps homes in local hands, rather than allowing them to be flipped for profit. When paired with community land trusts, SB332 SD1 HD2 can help establish permanently affordable housing, preventing speculation and securing homes for future generations in Lahaina.

We urge you to pass SB332 SD1 HD2 to protect survivors, prevent predatory real estate practices, and preserve the integrity of our community.

Mahalo for your time and commitment to Lahaina's recovery.

Shay Chan Hodges

Maui

SB-332-HD-2

Submitted on: 3/29/2025 11:44:38 AM

Testimony for JHA on 4/2/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Nicki Tedesco	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Tarnas, Vice Chair Poepoe, and Members of the Committee,

I am writing in full support of Senate Bill 332 SD1 HD2, which is critical in protecting local families from displacement as Maui faces an impending foreclosure crisis. The August 8th wildfire devastated our community, and with the foreclosure moratorium ending, many survivors are now at risk of losing their properties. Without intervention, disaster capitalism will exploit this crisis, pushing local families out while outside investors profit.

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We urge you to pass SB332 SD1 HD2 to protect survivors, prevent predatory real estate practices, and preserve the integrity of our community.

Mahalo for your time and commitment to Lahaina's recovery.

sincerely,

Nicole Tedesco

SB-332-HD-2

Submitted on: 3/29/2025 1:20:54 PM

Testimony for JHA on 4/2/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kathy Lomeli	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Tarnas, Vice Chair Poepoe, and Members of the Committee,

I am writing in full support of Senate Bill 332 SD1 HD2, which is critical in protecting local families from displacement as Maui faces an impending foreclosure crisis. The August 8th wildfire devastated our community, and with the foreclosure moratorium ending, many survivors are now at risk of losing their properties. Without intervention, disaster capitalism will exploit this crisis, pushing local families out while outside investors profit.

SB332 SD1 prevents bulk sales of foreclosed properties, ensuring homes are sold individually so local families have a real chance to purchase them. Large-scale, bundled auctions only benefit investors and developers, shutting out residents who want to rebuild and remain in their hometown.

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We urge you to pass SB332 SD1 HD2 to protect survivors, prevent predatory real estate practices, and preserve the integrity of our community.

Mahalo for your time and commitment to Lahaina's recovery.

Kathy Lomeli

SB-332-HD-2

Submitted on: 3/29/2025 2:11:19 PM

Testimony for JHA on 4/2/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
mary drayer	Individual	Support	Written Testimony Only

Comments:

submitting testimony in support of SB332

SB-332-HD-2

Submitted on: 3/29/2025 9:02:23 PM

Testimony for JHA on 4/2/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Sarah Biggs	Individual	Support	Written Testimony Only

Comments:

Protect local families from displacement. Prioritize community ownership. Prevent predatory real estate practices. Preserve the integrity of our community.

SB-332-HD-2

Submitted on: 3/30/2025 7:03:24 AM

Testimony for JHA on 4/2/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Richard Ho	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Tarnas, Vice Chair Poepoe, and Members of the Committee,

I am writing in full support of Senate Bill 332 SD1 HD2, which is critical in protecting local families from displacement as Maui faces an impending foreclosure crisis. The August 8th wildfire devastated our community, and with the foreclosure moratorium ending, many survivors are now at risk of losing their properties. Without intervention, disaster capitalism will exploit this crisis, pushing local families out while outside investors profit.

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This bill also prioritizes community ownership, giving tenants, local organizations, and government entities the first opportunity to buy foreclosed properties. This approach keeps homes in local hands, rather than allowing them to be flipped for profit. When paired with community land trusts, SB332 SD1 HD2 can help establish permanently affordable housing, preventing speculation and securing homes for future generations in Lahaina.

We urge you to pass SB332 SD1 HD2 to protect survivors, prevent predatory real estate practices, and preserve the integrity of our community.

Mahalo for your time and commitment to Lahaina's recovery.

Richard Ho

SB-332-HD-2

Submitted on: 3/30/2025 2:57:26 PM

Testimony for JHA on 4/2/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Stacey Alapai	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Tarnas, Vice Chair Poepoe, and Members of the Committee,

I am writing in full support of Senate Bill 332 SD1 HD2, which is critical in protecting local families from displacement as Maui faces an impending foreclosure crisis. The August 8th wildfire devastated our community, and with the foreclosure moratorium ending, many survivors are now at risk of losing their properties. Without intervention, disaster capitalism will exploit this crisis, pushing local families out while outside investors profit.

SB332 SD1 prevents bulk sales of foreclosed properties, ensuring homes are sold individually so local families have a real chance to purchase them. Large-scale, bundled auctions only benefit investors and developers, shutting out residents who want to rebuild and remain in their hometown.

This bill also prioritizes community ownership, giving tenants, local organizations, and government entities the first opportunity to buy foreclosed properties. This approach keeps homes in local hands, rather than allowing them to be flipped for profit. When paired with community land trusts, SB332 SD1 HD2 can help establish permanently affordable housing, preventing speculation and securing homes for future generations in Lahaina.

We urge you to pass SB332 SD1 HD2 to protect survivors, prevent predatory real estate practices, and preserve the integrity of our community.

Mahalo for your time and commitment to Lahaina's recovery.

SB-332-HD-2

Submitted on: 3/30/2025 7:22:16 PM

Testimony for JHA on 4/2/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kazuo Flores	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Evslin, Vice Chair Miyake, and Members of the Committee,

I am writing in full support of Senate Bill 332 SD1, which is critical in protecting local families from displacement as Maui faces an impending foreclosure crisis. The August 8th wildfire devastated our community, and with the foreclosure moratorium ending, many survivors are now at risk of losing their properties. Without intervention, disaster capitalism will exploit this crisis, pushing local families out while outside investors profit.

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This bill also prioritizes community ownership, giving tenants, local organizations, and government entities the first opportunity to buy foreclosed properties. This approach keeps homes in local hands, rather than allowing them to be flipped for profit. When paired with community land trusts, SB332 SD1 can help establish permanently affordable housing, preventing speculation and securing homes for future generations in Lahaina.

We urge you to pass SB332 SD1 to protect survivors, prevent predatory real estate practices, and preserve the integrity of our community.

Mahalo for your time and commitment to Lahaina's recovery.

Kazuo Flores