

JAN 23 2015

A BILL FOR AN ACT

RELATING TO HOUSING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. Chapter 201H, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§201H- Community land trust. (a) The corporation shall establish a community land trust for the purpose of selling homes to low- and moderate-income homebuyers.

(b) The community land trust may hold title to land and lease land to members of low- or moderate-income households; provided that:

(1) The lease shall be designed to preserve long-term affordable housing on the land;

(2) The terms of the lease shall give the community land trust, the first option to purchase any structural improvement placed on the land; and

(3) The lease may have an initial term of not more than ninety-nine years.



1 (c) The community land trust shall be a member-based
2 organization and reserve core mission decisions for the members.

3 (d) The community land trust may:

4 (1) Adopt, amend, and repeal bylaws governing the conduct
5 of its business;

6 (2) Execute, in accordance with its bylaws, all
7 instruments necessary or appropriate in the exercise
8 of its powers;

9 (3) Acquire property for future development pursuant to
10 this section;

11 (4) Buy and sell homes and related structures pursuant to
12 this section; and

13 (5) Receive moneys from donations, membership fees, the
14 State, the counties, or the federal government.

15 (e) For purposes of this section, "community land trust"
16 means a nonprofit organization that:

17 (1) Acquires parcels of land, held in perpetuity,
18 primarily for conveyance under long-term ground
19 leases;

20 (2) Transfers ownership of any structural improvements
21 located on leased parcels to the lessees;



- 1 (3) Has its corporate membership open to any adult
2 resident of a particular geographic area specified in
3 the organization's bylaws;
- 4 (4) Retains a first option to purchase any structural
5 improvement at a price determined by formula that is
6 designed to ensure that the improvement remains
7 affordable to low- and moderate-income households; and
- 8 (5) Is governed by a board of directors that:
- 9 (A) Includes a majority of members who are elected by
10 the corporate membership; and
- 11 (B) Is composed of equal numbers of lessees,
12 corporate members who are not lessees, and any
13 other category of persons described in the bylaws
14 of the organization."

15 SECTION 2. New statutory material is underscored.

16 SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY:

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Report Title:

HHFDC; Community Land Trust; Affordable Housing

Description:

Requires HHFDC to establish a community land trust for the purpose of selling homes to low- and moderate-income homebuyers.

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