
A BILL FOR AN ACT

RELATING TO COMMUNITY LAND TRUSTS.

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

1 SECTION 1. The legislature finds that community land
2 trusts are effective at producing and preserving permanently
3 affordable housing, increasing community control and
4 neighborhood stability, and reducing barriers to homeownership
5 for low- to moderate-income households. Community land trusts
6 provide lasting assets and shared equity homeownership
7 opportunities that foster generational wealth and community
8 stability.

9 The legislature also finds that a community land trust's
10 shared equity models enable many homeowners to transition to
11 traditional homeownership, with six out of ten community land
12 trust homeowners accumulating enough equity to purchase homes on
13 the open market. Community land trusts also curb displacement
14 by removing housing from the speculative market and preserving
15 affordable housing in areas facing rising costs. Community land
16 trusts have proven effective in post-disaster recovery,



1 preventing predatory investment and ensuring long-term housing
2 affordability.

3 The legislature notes that in Hawaii, five community land
4 trusts are currently active, including the Lahaina Community
5 Land Trust, Na Hale o Maui, Hawaii HomeOwnership Center's
6 Housing and Land Trust, Ho'omaluhui Community Land Trust, and
7 HALE o Hawaii. The legislature believes that expanding the
8 community land trust ecosystem can further strengthen community
9 ownership, prevent displacement, and help local families stay in
10 Hawaii.

11 The purpose of this Act is to support the expansion of
12 community land trusts by authorizing the Hawaii housing finance
13 and development corporation to establish a community land trust
14 equity pilot program to provide community land trusts with a
15 low-cost line of credit for housing purposes.

16 SECTION 2. (a) The Hawaii housing finance and development
17 corporation may establish a five-year community land trust
18 equity pilot program to provide community land trusts with a
19 line of credit to fund the acquisition, rehabilitation,
20 renovation, or construction of housing that is affordable to



1 households earning no more than one hundred forty per cent of
2 the county area median income.

3 (b) The Hawaii housing finance and development corporation
4 may establish rules pursuant to chapter 91, Hawaii Revised
5 Statutes, to carry out the purposes of the community land trust
6 equity pilot program.

7 (c) The Hawaii housing finance and development corporation
8 shall submit interim reports on the status of the community land
9 trust equity pilot program to the legislature no later than
10 twenty days prior to the convening of the regular sessions of
11 2026, 2027, 2028, and 2029. The Hawaii housing finance and
12 development corporation shall submit a final report on the
13 community land trust equity pilot program, including any
14 findings, recommendations, and proposed legislation, to the
15 legislature no later than twenty days prior to the convening of
16 the regular session of 2030.

17 (d) The community land trust equity pilot program shall
18 cease to exist on June 30, 2030.

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



- 1 (1) Acquires parcels of land primarily for conveyance
2 under long-term ground leases;
- 3 (2) Transfers ownership of any structural improvements
4 located on leased parcels to the lessees;
- 5 (3) Has its corporate membership open to any adult
6 resident of a particular geographic area specified in
7 the organization's bylaws;
- 8 (4) Retains a first option to purchase any structural
9 improvement at a price determined by formula that is
10 designed to ensure that the improvement remains
11 affordable to households earning no more than one
12 hundred forty per cent of the county area median
13 income; and
- 14 (5) Is governed by a board of directors that:
 - 15 (A) Includes a majority of members who are elected by
16 the corporate membership; and
 - 17 (B) Is composed of equal numbers of lessees,
18 corporate members who are not lessees, and any
19 other category of persons described in the bylaws
20 of the organization.



1 SECTION 3. There is appropriated out of the dwelling unit
 2 revolving fund the sum of \$5,000,000 or so much thereof as may
 3 be necessary for fiscal year 2025-2026 and the same sum or so
 4 much thereof as may be necessary for fiscal year 2026-2027 for
 5 the Hawaii housing finance and development corporation to
 6 establish the community land trust equity pilot program pursuant
 7 to this Act.

8 The sums appropriated shall be expended by the Hawaii
 9 housing finance and development corporation for the purposes of
 10 this Act.

11 SECTION 4. This Act shall take effect on July 1, 2025.

12

INTRODUCED BY:



JAN 21 2025



Report Title:

HHFDC; Community Land Trust Equity Pilot Program; Affordable Housing; Reports; Dwelling Unit Revolving Fund; Appropriation

Description:

Authorizes the Hawaii Housing Finance and Development Corporation to establish a five-year community land trust equity pilot program to provide community land trusts with a line of credit to fund the acquisition, rehabilitation, renovation, or construction of housing for certain households and report to the Legislature regarding the pilot program. Appropriates moneys from the Dwelling Unit Revolving Fund for establishment of the pilot program.

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