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# A BILL FOR AN ACT

RELATING TO AFFORDABLE HOUSING.

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

1       SECTION 1. The legislature finds that the United States  
2 Census has reported that nearly sixty thousand Hawaii residents  
3 relocate each year to more affordable states, and more Native  
4 Hawaiians live on the mainland than in Hawaii, a continuing  
5 trend that started in 2020. In addition, approximately  
6 forty-five per cent of Hawaii households struggle to pay for  
7 basic daily needs and are one emergency away from severe  
8 financial hardship or homelessness, according to asset limited,  
9 income constrained, employed (ALICE) reports. Twenty-five per  
10 cent of financially stressed households plan to leave Hawaii  
11 because they cannot make ends meet, and forty per cent more are  
12 unsure if they can continue to live in Hawaii.

13       The legislature also finds that the cost of housing is the  
14 largest expense driving Hawaii residents to move out of state.  
15 On average, residents pay forty per cent of their income for  
16 housing costs, the nation's highest and well above the thirty  
17 per cent affordability standard. The average Hawaii worker can



1 afford only \$450,000 for a home, but the average market sales  
2 price for a home in Hawaii is almost \$1,000,000. Out-of-state  
3 buyers have contributed to this trend of rising home sale  
4 prices, especially on Maui, where thirty-one per cent of home  
5 sales went to nonresidents, though this is lower than the high  
6 of fifty per cent in 2012.

7 The legislature also finds that wages of Hawaii households  
8 averaged \$95,000 in recent years, increasing from \$93,300 to  
9 \$98,317 since 2019, which generally equates to being able to  
10 afford a home priced between \$400,000 and \$600,000, depending on  
11 mortgage rates. This means the average worker cannot afford a  
12 single-family home on Oahu, Maui, or Kauai, because of the  
13 median \$1,000,000 sales prices. Generally affordable units are  
14 condominiums on Oahu and homes on Hawaii island, since their  
15 median sales prices are about \$500,000.

16 The legislature recognizes that many ALICE families  
17 temporarily manage their financial situation by using credit  
18 cards to pay for necessities. However, credit card debt builds  
19 up when unpaid, amounting to over \$7,000 per resident of Hawaii,  
20 which is among the highest in the nation. Some families sell  
21 their house to pay off debts and then move to a smaller home.



1 However, because each house is usually sold to the highest  
2 bidder, that means one less home that local residents can  
3 afford. Meanwhile, houses that local residents cannot afford  
4 are bought by wealthy individuals who often live in other states  
5 or countries.

6 Therefore, the legislature finds that a local housing  
7 market is necessary to provide affordable homes for Hawaii  
8 residents. The legislature believes that the Hawaii housing  
9 market should be bifurcated into two markets, one for residents  
10 of the State and the other for national and international  
11 buyers. The local housing market would be established to use  
12 the principles of community land trusts to preserve houses for  
13 residents of Hawaii in perpetuity.

14 The legislature intends to develop a local housing market  
15 through the coordination of a land trust program of existing and  
16 new housing programs. To establish a local housing market, a  
17 comprehensive action plan will be needed to promote, facilitate,  
18 and coordinate land trusts and various incentives for their  
19 development.

20 Accordingly, the purpose of this Act is to appropriate  
21 funds to the "yes in my back yard" working group under the



1 department of business, economic development and tourism to  
2 complete a comprehensive action plan to establish a local  
3 housing market in Hawaii.

4 SECTION 2. No later than twenty days prior to the  
5 convening of the regular session of 2026, the "yes in my back  
6 yard" working group under the department of business, economic  
7 development, and tourism shall submit a comprehensive action  
8 plan to establish a local housing market in Hawaii. The plan  
9 shall be placed under the "yes in my backyard" working group.

10 The comprehensive action plan shall include:

- 11 (1) Definitions and plans to develop condominium land  
12 trusts in transit-oriented developments,  
13 master-planned community land trusts, rent-to-own  
14 housing land trusts, family inheritance land trusts,  
15 agricultural community land trusts, and manufactured  
16 housing land trusts;
- 17 (2) Incentives to promote the development of land trusts  
18 and criteria for issuing awards, including but not  
19 limited to land use and building exemptions, increased  
20 density and height limits, tax credits and exemptions,  
21 and state-backed loan guarantees;



(3) Amendments to inheritance statutes to authorize family land trusts that ensure multi-generational inheritance and provide exemptions from estate taxes;

(4) Statutory amendments to authorize residential dwellings for agricultural workers in agricultural community land trusts and manufactured houses in community land trusts;

(5) Analysis of any constitutional and legal issues that allow land trust sales solely to qualified state residents, and issues that may prohibit certain limitations on sales to out-of-state buyers; and

(6) Recommendations for other statutory amendments, legislative acts, and appropriations.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ or so much as may be necessary for fiscal year 2025-2026, and the same sum or so much as may be necessary for fiscal year 2026-2027 for a comprehensive action plan to establish a local housing market in Hawaii.



1       The sums appropriated shall be expended by the department  
2 of business, economic development and tourism for the purposes  
3 of this Act.

4       SECTION 4. This Act shall take effect on July 1, 2050.



**Report Title:**

DBEDT; YIMBY Working Group; Affordable Homes; Affordable Market; Appropriations

**Description:**

Requires the Department of Business, Economic Development, and Tourism, to establish a comprehensive action plan under the "Yes In My Back Yard" Working Group to establish a local housing market in Hawaii. Appropriates funds. Effective 7/1/2050.  
(SD2)

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