
HOUSE CONCURRENT RESOLUTION

REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND
TOURISM TO SUBMIT A REPORT TO THE LEGISLATURE ON THE
BARRIERS TO CREATING AFFORDABLE HOUSING IN THE STATE.

1 WHEREAS, there is a severe shortage of affordable housing
2 in the State which hampers the ability of residents to afford
3 such housing on prevailing wages; and
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5 WHEREAS, according to the National Low Income Housing
6 Coalition's Out of Reach 2021 report, a minimum wage employee
7 must work one hundred fourteen hours per week to afford a modest
8 one-bedroom rental home at fair market rent in the State; and
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10 WHEREAS, the United States Department of Housing and Urban
11 Development considers "affordable housing" to be housing for
12 which the occupant is paying no more than thirty percent of
13 income for gross housing costs, including utilities; and
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15 WHEREAS, gross income in relation to housing affordability
16 is generally expressed as a percentage of the area median
17 income; and
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19 WHEREAS, the area median income is defined as the midpoint
20 of a region's income distribution, where half of the families
21 earn more than the median and half earn less than the median;
22 and
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24 WHEREAS, housing affordability in the State is most often
25 expressed as the housing price-to-income ratio where the price
26 of an "affordable" home is expressed on a scale where one
27 hundred forty percent of the area median income or lower is
28 considered a "below market" rate; and
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1 WHEREAS, the existing formula used to set the sales price
2 of "affordable" for-sale homes are outdated and do not take into
3 consideration other factors such as the high cost of living and
4 high market prices of housing in the State; and

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6 WHEREAS, the housing price guidelines set by the United
7 States Department of Housing and Urban Development are not
8 applicable to developments that do not use federal subsidies;
9 and

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11 WHEREAS, the outdated "affordable" sales price formulas are
12 based heavily on mortgage interest rates and, given the current
13 low-interest rate environment, may not be affordable to local
14 area residents or may exceed market prices; and

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16 WHEREAS, for example, a two-bedroom home in the City and
17 County of Honolulu with a sale price of over one million dollars
18 could potentially qualify as "affordable" under existing
19 guidelines; and

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21 WHEREAS, if the State and counties want to provide housing
22 that residents can afford on typical wages earned in the State,
23 the definition of "affordable" sales prices must more accurately
24 reflect what households in Hawaii can realistically afford,
25 taking into consideration homeowners association fees,
26 insurance, utilities, transportation, cost of living, access to
27 low interest rates, and other factors; and

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29 WHEREAS, the COVID-19 pandemic jeopardized the financial
30 security of thousands of working families who required rental
31 and housing relief to sustain their access to shelter; and

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33 WHEREAS, according to the Hawai'i Budget & Policy Center,
34 the provision of affordable homes and rental units requires the
35 State to treat housing as a basic necessity and human right,
36 rather than primarily as a means for investment and wealth-
37 building; now, therefore,

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39 BE IT RESOLVED by the House of Representatives of the
40 Thirty-first Legislature of the State of Hawaii, Regular Session
41 of 2022, the Senate concurring, that the Department of Business,
42 Economic Development, and Tourism is requested to submit a



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1 report to the Legislature on the barriers to creating affordable
2 housing in the State; and

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4 BE IT FURTHER RESOLVED that in the preparation of the
5 report, the Department of Business, Economic Development, and
6 Tourism is requested to consult with other government agencies
7 and advocacy organizations, including the Hawaii Housing Finance
8 and Development Corporation, Hawai'i Appleseed Center for Law &
9 Economic Justice, and Hawai'i Alliance for Community Based
10 Economic Development; and

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12 BE IT FURTHER RESOLVED that the report is requested to
13 include information about methodologies for determining what
14 qualifies as "affordable" in Hawaii in comparison to other
15 states and municipalities with similar high costs of living; and

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17 BE IT FURTHER RESOLVED the Department of Business, Economic
18 Development, and Tourism is requested to submit the report of
19 its findings and recommendations, including any proposed
20 legislation, to the Legislature no later than twenty days prior
21 to the convening of the Regular Session of 2023; and

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23 BE IT FURTHER RESOLVED that certified copies of this
24 Concurrent Resolution be transmitted to the Director of
25 Business, Economic Development, and Tourism; Executive Director
26 of the Hawaii Housing Finance and Development Corporation;
27 Executive Director of Hawai'i Appleseed Center for Law & Economic
28 Justice; and Executive Director of the Hawai'i Alliance for
29 Community Based Economic Development.

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OFFERED BY: 

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