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## HOUSE 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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30           WHEREAS, the existing formula used to set the sales price  
31 of "affordable" for-sale homes are outdated and do not take into



1 consideration other factors such as the high cost of living and  
2 high market prices of housing in the State; and

3  
4 WHEREAS, the housing price guidelines set by the United  
5 States Department of Housing and Urban Development are not  
6 applicable to developments that do not use federal subsidies;  
7 and

8  
9 WHEREAS, the outdated "affordable" sales price formulas are  
10 based heavily on mortgage interest rates and, given the current  
11 low-interest rate environment, may not be affordable to local  
12 area residents or may exceed market prices; and

13  
14 WHEREAS, for example, a two-bedroom home in the City and  
15 County of Honolulu with a sale price of over one million dollars  
16 could potentially qualify as "affordable" under existing  
17 guidelines; and

18  
19 WHEREAS, if the State and counties want to provide housing  
20 that residents can afford on typical wages earned in the State,  
21 the definition of "affordable" sales prices must more accurately  
22 reflect what households in Hawaii can realistically afford,  
23 taking into consideration homeowners association fees,  
24 insurance, utilities, transportation, cost of living, access to  
25 low interest rates, and other factors; and

26  
27 WHEREAS, the COVID-19 pandemic jeopardized the financial  
28 security of thousands of working families who required rental  
29 and housing relief to sustain their access to shelter; and

30  
31 WHEREAS, according to the Hawai'i Budget & Policy Center,  
32 the provision of affordable homes and rental units requires the  
33 State to treat housing as a basic necessity and human right,  
34 rather than primarily as a means for investment and wealth-  
35 building; now, therefore,

36  
37 BE IT RESOLVED by the House of Representatives of the  
38 Thirty-first Legislature of the State of Hawaii, Regular Session  
39 of 2022, that the Department of Business, Economic Development,  
40 and Tourism is requested to submit a report to the Legislature  
41 on the barriers to creating affordable housing in the State; and  
42



# H.R. NO. 18

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

8  
 9 BE IT FURTHER RESOLVED that the report is requested to  
 10 include information about methodologies for determining what  
 11 qualifies as "affordable" in Hawaii in comparison to other  
 12 states and municipalities with similar high costs of living; and

13  
 14 BE IT FURTHER RESOLVED the Department of Business, Economic  
 15 Development, and Tourism is requested to submit the report of  
 16 its findings and recommendations, including any proposed  
 17 legislation, to the Legislature no later than twenty days prior  
 18 to the convening of the Regular Session of 2023; and

19  
 20 BE IT FURTHER RESOLVED that certified copies of this  
 21 Resolution be transmitted to the Director of Business, Economic  
 22 Development, and Tourism; Executive Director of the Hawaii  
 23 Housing Finance and Development Corporation; Executive Director  
 24 of Hawai'i Appleseed Center for Law & Economic Justice; and  
 25 Executive Director of the Hawai'i Alliance for Community Based  
 26 Economic Development.

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29 OFFERED BY:



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