

MAR 0 6 2020

SENATE RESOLUTION

REQUESTING THAT THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION REVIEW HOW IT CALCULATES ITS AFFORDABLE SALES PRICE GUIDELINES AND SUBMIT A REPORT COMPARING THE BEST PRACTICES AND POLICIES OF THE AFFORDABLE SALES PRICE GUIDELINES OF OTHER HIGH COST AREAS.

1 WHEREAS, Hawaii is a federally designated high cost area to
2 live; and

3
4 WHEREAS, the Hawaii Housing Finance and Development
5 Corporation is the state agency that provides safe and sanitary
6 housing for low-income residents of Hawaii by developing and
7 financing low- and moderate-income housing projects and
8 administering homeownership programs; and

9
10 WHEREAS, most of the housing projects that the Hawaii
11 Housing Finance and Development Corporation has financed have
12 been low-income housing tax credit rental projects, but the
13 Legislature is exploring ways to increase affordable housing
14 within the State by encouraging the leasehold sale of subsidized
15 housing; and

16
17 WHEREAS, every year, the United States Department of
18 Housing and Urban Development (HUD) calculates area median
19 income (AMI) and other associated or adjusted AMI levels using
20 data from the latest census. These figures help determine
21 eligibility for affordable housing and housing assistance
22 programs at federal and local levels; and

23
24 WHEREAS, the use of AMI to determine the affordability, and
25 thereby the maximum limit, of an affordable unit can be rented
26 is federally mandated, but the maximum limit at which an
27 affordable unit can be sold is left to the local government's
28 discretion to calculate; in this case, the Hawaii Housing
29 Finance and Development Corporation; and

30
31 WHEREAS, the City and County of San Francisco is a
32 comparable high cost area; and

33



1 WHEREAS, HUD calculated the AMI of a four-person family in
2 San Francisco last year to be \$136,800, while the AMI of a four-
3 person family in Honolulu was \$99,000; and

4
5 WHEREAS, the maximum sales price of an affordable housing
6 unit, at 4.15 percent interest, for a four-person family at one
7 hundred percent AMI in San Francisco last year was calculated to
8 be \$478,589; while the maximum sales price of an affordable
9 housing unit, at four percent interest, for a four-person family
10 at one hundred percent AMI in Honolulu was \$619,900; and

11
12 WHEREAS, an affordable housing unit for a four-person
13 family in San Francisco is calculated to have three bedrooms;
14 while an affordable housing unit for a four-person family in
15 Honolulu has two bedrooms; and therefore, a three-bedroom
16 affordable housing unit at 4.15 percent interest in San
17 Francisco costs less to purchase than a two-bedroom affordable
18 housing unit at four percent interest in Honolulu; and

19
20 WHEREAS, the maximum sales price of an affordable housing
21 unit, at 4.15 percent interest, for a four-person family in San
22 Francisco is around 3.5 times their yearly income; while the
23 maximum sales price of an affordable housing unit, at four
24 percent interest, for a four-person family in Honolulu is over
25 6.2 times their yearly income; and

26
27 WHEREAS, to increase affordable housing for its residents,
28 the maximum price for affordable housing units in Hawaii should
29 not be higher than that of another high cost area, when its area
30 median family income is already lower than that of another high
31 cost area; now, therefore,

32
33 BE IT RESOLVED by the Senate of the Thirtieth Legislature
34 of the State of Hawaii, Regular Session of 2020, that the Hawaii
35 Housing Finance and Development Corporation review how it
36 calculates its affordable sales guidelines; and

37
38 BE IT FURTHER RESOLVED that the Hawaii Housing Finance and
39 Development Corporation generate a report compiling and
40 comparing the best practices and policies that other high cost
41 areas use to determine their affordable sales guidelines; and
42



S.R. NO. 148

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

BE IT FURTHER RESOLVED that the study shall look at:

- (1) How maximum sales prices are determined;
- (2) Any restrictions of re-sale;
- (3) Any equity sharing provisions; and
- (4) Any other guidelines or rules that maximize the affordable housing for a high cost area; and

BE IT FURTHER RESOLVED that the Hawaii Housing Finance and Development Corporation report its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2021; and

BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the Executive Director of the Hawaii Housing Finance and Development Corporation and Director of Business, Economic Development, and Tourism.

OFFERED BY: 


