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## HOUSE CONCURRENT RESOLUTION

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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  
29



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2 of "affordable" for-sale homes are outdated and do not take into  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

5  
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

10  
11 WHEREAS, the outdated "affordable" sales price formulas are  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

15  
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

20  
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

28  
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

32  
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,

38  
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

11  
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

16  
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

22  
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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