

2018 Hawai'i Access to Justice Conference
"Fighting for Access to Justice for All"
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Workshop summary:¹

"Understanding Hawaii's Affordable Housing Puzzle"

Presenters: Professor Calvin G.C. Pang, William S. Richardson School of Law (facilitator), Jeff Gilbreath, Executive Director, Hawaiian Community Assets; Marc Alexander, Executive Director, Office of Housing for the City and County of Honolulu; Marian Gushiken, Director of Real Estate Development, EAH Housing

Hawaii leads the nation in housing un-affordability. The issues around affordable housing and homelessness require community will to solve. The only permanent solution to homelessness is housing and an effective support system. Housing is the basis for growth in many other social welfare areas including employment and education. Three predictors of homelessness are rent costs, change in rental rates, and a high median income.

Issues contributing to the complexity of building affordable housing include the lack of land with infrastructure and NIMBY (not in my back yard). Possible resolutions include: building small in-fill rental projects; maximizing the development of accessory dwelling units; developing single room occupancy (i.e. dorm style) housing; maximizing affordable housing development in Transit Oriented Development ("TOD") zones; eliminating parking allowances, and allocating a larger percent of income to housing (30% vs 40%) when qualifying a household for financial support. Other possible policy or partnership opportunities to address the issue include: regulation of transient vacation units; adjustment of zoning for apartment type housing; public/private partnerships; investment in infrastructure; updates to the 201 H criteria to speed up the permitting process, and the development of culturally appropriate housing (i.e. a Kauhale) which offers a place to build community as opposed to simply housing.

To increase development, we need a robust non-profit developer industry, steady and predictable development funding, and de-segregation (areas like Kahauiki only for homeless families). Nonprofit developers find it very difficult to overcome land costs and the many layers of financing (including tax credits, grants, and loans) required to keep a project affordable. The funding layers make it a long process for developers.

Developers are challenged to think big, bold, and be creative. One suggestion is to maximize the local community land trust. The five key ingredients to maximizing housing affordability include: low land cost (maximize the power of Hawaii's largest land trust – Hawaiian Home Lands); community involvement; nonprofit developers; a mix of public and private grants and financing with patient terms, and HUD housing counseling services.

To this point, trust land residents pay 21% of their income toward housing while all others pay 42%.

The County of Kauai is testing out a quasi-land trust model. The county provides gap financing and a 90 year ground lease and requires housing counseling. This can lower the cost of housing and the monthly payment for the owner and a land trust can ensure long-term affordability.

Other supportive policy changes that support development of homes include increasing the conveyance tax, capacity building program for nonprofit developers, and a homeownership revolving fund. Home ownership is possible for low income households and it creates jobs. People need to get involved and there must be community ownership develop good policy and creative solutions to overcome the barriers to the development of affordable housing.

¹ A draft was prepared by Rona Fukumoto, Hawai'i Access to Justice commissioner, and reviewed by the presenters.