

Hawaii Access to Justice Commission

2016 Access to Justice Conference

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Workshop: “Affordable Housing Issues”

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The presentation started by acknowledging two negative accomplishments. Hawaii has the highest housing costs in the nation and the highest rate of homelessness. The presenters provided three reasons for the high rating using data from a variety of sources including a Hawaii Appleseed commissioned QMark Poll. The following have significant effects on access to affordable housing.

- Income related issues - The high cost of housing and the disparity between rent increases and wage increases causes a serious housing cost burden on low-income households.
- Housing availability – On Oahu, we need to build 64,000 housing units by 2020 to meet pent up and future demand. What is predicted is a shortfall of 22,005 units of affordable housing including housing for extremely low-income renters.
- Bleeding of Housing Stock – Temporary vacation rentals, Airbnb, and purchases of housing for money laundering are decreasing access to available housing stock.

Potential Solutions

- Accessory Dwelling Units (“ADU”) – In 2015, an amendment to Chapter 21, revised ordinances of Honolulu, 1990 was passed which allowed the building of a totally separate secondary dwelling on property in Honolulu. ADUs are expected to increase the affordable housing stock by an estimated 200 to 250 units per year. Over 100,000 homeowners may be eligible to put AUDs on their lots. This option may also allow a homeowner to age in place and create another income stream for the household.
- Shallow Rent Subsidies – There are 703 homeless families on Oahu and of that number 315 have a steady source of income, but are homeless because they were short on rent. In addition, one third of shelter clients are employed. A shallow rent subsidy would help to bridge that income gap.

- Inclusionary Zoning – Requiring a portion of new construction to target low or moderate income levels. 27 states plus the District of Columbia use inclusionary zoning as a tool. There are incentives that may encourage inclusionary zoning and also barriers. Possible alternatives that would produce the same results are faster permitting or reduced parking requirements but it is unclear that these incentives alone would encourage affordable housing development. Keys to success are independence from politics, high population of rent burdened households, strong county government for advocacy, a strong housing market, partnering with nonprofits for management, reasonable threshold and affordability period, educational and informational resources to address community concerns and it needs to be part of a broader strategy, tailored to community needs.
- Tax Reform – we can increase income by decreasing taxes. The General Excise Tax (“GET”) is highly regressive. Tax policy is an easy way to address poverty. The GET has not been adjusted for 30 years. It is a proven tool for fostering prosperity, has been adopted in 26 states and D.C. and has Bi-partisan support. The State Earned Income Tax Credit is another tool to lift people out of poverty. It encourages work and boosts the local economy. Every \$1 in EITC equals \$1.5 - \$2 in spending.

What can you do to help?

- Advocate – Provide testimony for issues like Tax Reform
- Volunteer – Research or help to draft a sample lease for ADUs
- Share ideas