

RESOLUTION NO. 241 21

A RESOLUTION URGING THE OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT TO CONDUCT A STUDY ON THE COUNTY’S INCLUSIONARY ZONING POLICIES, PURSUANT TO SENATE RESOLUTION NO. 3, AND TO DEVELOP A STRATEGIC ROADMAP FOR HOUSING DEVELOPMENT ON HAWAI‘I ISLAND.

WHEREAS, on March 31, 2021, the Hawai‘i State Senate of the Thirty-First Legislative Session adopted Senate Resolution No. 3 (S.R. No. 3), attached hereto as “Exhibit A”; and

WHEREAS, the purpose and intent of S.R. No. 3 is to request the counties to study how inclusionary zoning impacts each county’s housing supply; and

WHEREAS, the term “inclusionary zoning” is a housing policy that requires a certain percentage of units in new residential developments to be priced as affordable for buyers at the low to moderate income level; and

WHEREAS, the purported benefits of inclusionary zoning include strengthening communities, stimulating economic development, supporting “smart growth” principles, enhancing economic and racial integration, overcoming NIMBY-ism (not in my backyard), and offering a predictable and level playing field to developers; and

WHEREAS, certain research on inclusionary zoning policies over the last decade indicates that inclusionary zoning may actually be having an adverse impact, reducing the amount of affordable housing available in the affected area; and

WHEREAS, this unintended consequence results from, among other factors, developers building high-rent housing in the same project to subsidize the affordable housing units, or developers choosing not to build in inclusionary zoning areas; and

WHEREAS, in 2019, the State Department of Business, Economic Development, and Tourism released the Hawai‘i Housing Planning Study (prepared by SMS Research & Marketing Services, Inc.), which found that from 2020-2025 the demand for additional housing units is 22,168 units for the City and County of Honolulu, 13,303 units for Hawai‘i County, 10,404 units for Maui County, and 4,281 units for Kaua‘i County; and

WHEREAS, on January 22, 2020, the Council adopted Resolution No. 431-20, Draft 2, directing Hawai'i County to strategically address the island's escalating housing crisis with urgency and provided a critical path for developing a housing development roadmap; now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE COUNTY OF HAWAI'I that the Office of Housing and Community Development (OHCD), to the best of its abilities, research and address the following:

1. How the inclusionary zoning policy affected the production of new housing supply;
2. How many units built under the inclusionary zoning policy still have an owner-occupancy exemption; and
3. Any other impacts the inclusionary zoning policy has had on the housing market.

BE IT FURTHER RESOLVED that OHCD create a strategic roadmap for housing development on Hawai'i Island to understand what is needed by various stakeholders to increase the stock of housing inventory.

BE IT FURTHER RESOLVED that OHCD transmit its strategic roadmap for housing development to the Council for referral to the first scheduled Committee meetings in January 2022.

BE IT FURTHER RESOLVED that OHCD transmit its report on the County's inclusionary zoning policies to the Council for referral to the second scheduled Committee meetings in April 2022.

BE IT FURTHER RESOLVED that OHCD collaborate with key departments such as Department of Finance, Planning Department, Department of Public Works, Department of Environmental Management, and Department of Water Supply on its strategic roadmap and report to ensure coordination across County agencies.

BE IT FURTHER RESOLVED that the strategic roadmap and the inclusionary zoning report be used to inform future housing policy adjustments such as updates to Chapter 11 of the Hawai'i County Code.

BE IT FURTHER RESOLVED that the Council will do everything in its power to support OHCD in these endeavors so that meaningful progress to address ongoing housing needs are met.

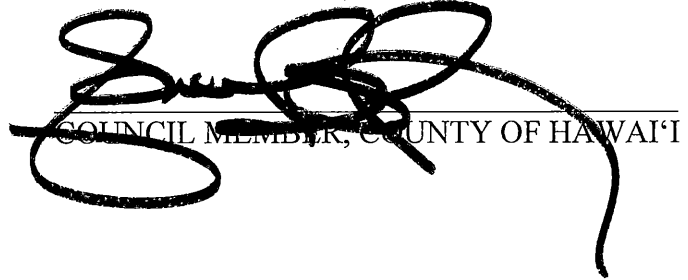
BE IT FINALLY RESOLVED that the County Clerk shall transmit a copy of this resolution to the Honorable Ronald D. Kouchi, Senate President; the Honorable Scott K. Saiki, Speaker of the House; the Honorable Stanley Chang, State Senator; the Honorable Mitchell D. Roth, Mayor; Lee E. Lord, Managing Director; Susan Kunz, Housing Administrator; Deanna Sako, Director of Finance; Zendo Kern, Planning Director; Ikaika Rodenhurst, Director of Public Works; Ramzi Mansour, Director of Environmental Management; and Keith Okamoto, Manager-Chief Engineer of Water Supply.

Dated at Hilo , Hawai'i, this 3rd day of November , 20 21 .

INTRODUCED BY:



COUNCIL MEMBER, COUNTY OF HAWAI'I



COUNCIL MEMBER, COUNTY OF HAWAI'I

COUNTY COUNCIL
County of Hawai'i
Hilo, Hawai'i

ROLL CALL VOTE

| | AYES | NOES | ABS | EX |
|-----------------------|------|------|-----|----|
| CHUNG | X | | | |
| DAVID | X | | | |
| INABA | X | | | |
| KĀNEALI'I-KLEINFELDER | X | | | |
| KIERKIEWICZ | X | | | |
| KIMBALL | X | | | |
| LEE LOY | X | | | |
| RICHARDS | X | | | |
| VILLEGAS | X | | | |
| | 9 | 0 | 0 | 0 |

I hereby certify that the foregoing RESOLUTION was by the vote indicated to the right hereof adopted by the COUNCIL of the County of Hawai'i on November 3, 2021 .

ATTEST:



COUNTY CLERK CHAIRPERSON & PRESIDING OFFICER

Reference: C-441/ GORED-18

RESOLUTION NO. 241 21

JAN 21 2021

SENATE RESOLUTION

REQUESTING THE COUNTIES TO STUDY HOW INCLUSIONARY ZONING IMPACTS
HOUSING SUPPLY.

1 WHEREAS, inclusionary zoning is a housing policy that
2 requires a certain percentage of housing units in a new
3 residential development to be priced as affordable for people
4 with low to moderate incomes; and

5
6 WHEREAS, the goals of inclusionary zoning policies include
7 promoting economic and racial integration, providing access to
8 opportunities such as better employment and schools for poor and
9 working families, and increasing the supply of affordable
10 housing; and

11
12 WHEREAS, research on inclusionary zoning policies indicates
13 that inclusionary zoning can actually reduce the amount of
14 affordable housing available in a particular area; and

15
16 WHEREAS, this unintended effect results from, among other
17 factors, developers building high rent housing in the same
18 project in order to subsidize the affordable housing units, or
19 developers choosing not to build in areas in which inclusionary
20 zoning applies; and

21
22 WHEREAS, there is a severe shortage of affordable housing
23 across the State, and some or all of the counties have adopted
24 inclusionary zoning policies in an attempt to increase the
25 supply of affordable housing; and

26
27 WHEREAS, to ensure that these inclusionary zoning policies
28 are increasing affordable housing instead of having the
29 unintended opposite effect of decreasing the supply of
30 affordable housing; now, therefore,

31
32 BE IT RESOLVED by the Senate of the Thirty-first
33 Legislature of the State of Hawaii, Regular Session of 2021,
34 that the counties that have implemented inclusionary zoning
35 policies are requested to conduct a study of how those policies



S.R. NO. 3

1 impact the affordable housing inventory within those counties;
2 and

3
4 BE IT FURTHER RESOLVED that the study is requested to
5 address:

- 6
- 7 (1) How the inclusionary zoning policy affected the
- 8 production of new housing supply;
- 9
- 10 (2) How many units built under the inclusionary zoning
- 11 policy are still owned by the first buyers;
- 12
- 13 (3) How many units built under the inclusionary zoning
- 14 policy have been resold;
- 15
- 16 (4) How many units built under the inclusionary zoning
- 17 policy still have an owner-occupancy exemption;
- 18
- 19 (5) What profits were realized by the first buyers who
- 20 sold their units built under the inclusionary zoning
- 21 policy; and
- 22
- 23 (6) Any other impacts the inclusionary zoning policy had
- 24 on the housing market; and
- 25

26 BE IT FURTHER RESOLVED that certified copies of this
27 Resolution be transmitted to the mayor of each county.

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30

OFFERED BY: 