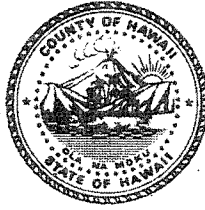


From the office of -
Council Member
District 3 – Hilo and Puna



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SUSAN L.K. LEE LOY

25 Aupuni Street, Hilo, Hawai'i 96720

TO: Aaron S. Y. Chung, Chair
and Members of the Hawai'i County Council

FROM: *[Signature]* Sue Lee Loy, Council Member

DATE: January 16, 2020

SUBJECT: Proposed amendments to Resolution No. 431-20; A Resolution directing Hawai'i County to strategically address its escalating housing crisis with urgency

Please find attached proposed amendments to Resolution No. 431-20. The proposed changes provide additional context relating to how changes to the construction codes and permitting system can work to reduce barriers to housing.

The proposed amendments are illustrated below in Ramseyer format with respect to the contents of Resolution No. 431-20; material to be deleted is bracketed and stricken and material to be added is underscored. A draft copy of the draft 2 of this resolution that would result if these proposed amendments are adopted is attached.

1. Resolution No. 431-20 is amended by inserting a new seventh WHEREAS clause to read as follows:

"WHEREAS, in a presentation to the Council's Finance Committee on January 7, 2020, under Communication No. 657.1, the County administration identified six barriers to housing – land, infrastructure, permits, construction, financing, and the rent or sale price – and has determined that the County has a "high" role regarding infrastructure and permits; and"

2. Resolution No. 431-20 is amended by inserting a new eighth WHEREAS clause to read as follows:

"WHEREAS, recognizing that permits related to housing are within the County's jurisdiction, the County administration supports the systematic and comprehensive policy overhaul of the construction permit system, and of the building review process, and will be requesting the introduction of a series of bills to accomplish this; and"

Comm. No. 657.18
Ref. To: P/Council
Ref. Date JAN 22 2020

2020 JAN 16 AM 11:23
COUNTY CLERK
COUNTY OF HAWAII

3. Resolution No. 431-20 is amended by amending the final clause to read as follows:

BE IT FINALLY RESOLVED that the County Clerk shall transmit a copy of this resolution to the Honorable Harry Kim, Mayor; the Housing Administrator; the Planning Director; the Director of Finance; the Director of Public Works; the Manager-Chief Engineer of the Department of Water Supply; the Director of Environmental Management; the County Executive on Aging; Corporation Counsel; the Executive Director of the [State] Hawai'i Housing Finance and Development Corporation; the Hawai'i Island Chamber of Commerce Cost of Living Task Force; and the Vibrant Hawai'i Island Leadership Council.

SL/ps
Att.

A RESOLUTION DIRECTING HAWAII COUNTY TO STRATEGICALLY ADDRESS ITS ESCALATING HOUSING CRISIS WITH URGENCY.

WHEREAS, a 2015 report by the State Department of Business, Economic Development & Tourism titled “Measuring Housing Demand in Hawai‘i, 2015-2025” projected that Hawai‘i County’s population will grow by 29 percent by 2025, creating a forecasted demand for 19,610 additional housing units, which is approximately 30 percent of the total projected demand of 64,700 (conservative baseline scenario) housing units needed across the State; and

WHEREAS, a 2017 report by Aloha United Way titled “ALICE: A Study of Financial Hardship in Hawai‘i” notes that 62 percent of all jobs in Hawai‘i pay less than \$20 per hour, with more than two-thirds of those paying less than \$15 per hour for an estimated gross of \$30,000 per year for a full-time job; and

WHEREAS, according to the U.S. Census Bureau, in 2017, households in Hawai‘i County had a median income of \$56,395; and

WHEREAS, according to Zillow, an online real estate database company, the current median price of homes is \$649,900 in Kailua-Kona, \$389,000 in Hilo, \$199,085 in Pāhoa, and \$400,000 for Hawai‘i County as a whole; and

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) defines an “affordable dwelling” as one that a household can obtain for 30 percent or less of its income; and

WHEREAS, providing more housing options is essential to meeting the diverse lifestyles and affordability levels that are critical to attract, retain, and develop a diverse workforce pool as well as meet the needs of our elderly and vulnerable populations, low-income, and families and individuals experiencing homelessness; and

WHEREAS, in a presentation to the Council’s Finance Committee on January 7, 2020, under Communication No. 657.1, the County administration identified six barriers to housing – land, infrastructure, permits, construction, financing, and the rent or sale price – and has determined that the County has a “high” role regarding infrastructure and permits; and

WHEREAS, recognizing that permits related to housing are within the County’s jurisdiction, the County administration supports the systematic and comprehensive policy overhaul of the construction permit system, and of the building review process, and will be requesting the introduction of a series of bills to accomplish this; and

WHEREAS, Chapter 201H, Hawai‘i Revised Statutes, authorizes the Hawai‘i Housing Finance and Development Corporation (HHFDC) to develop or assist in the development of housing projects that qualify for certain exemptions pursuant to Section 201H-38, and to request expedited processing, a developer must submit the HHFDC’s 201H application form, which is accepted and processed by each county; and

WHEREAS, Chapter 11, Section 11-3, of the Hawai‘i County Code states that the Office of Housing and Community Development (OHCD) is responsible for the planning, administration, and operation of all of the County’s housing programs with the goal of providing for the development of viable communities in Hawai‘i County by providing decent housing, suitable living environments, and the expansion of economic opportunities; and

WHEREAS, the County of Hawai‘i’s most recent “Consolidated Annual Performance and Evaluation Report (CAPER)” for fiscal year 2018-2019, mandated by HUD and HHFDC, notes a one-year goal of creating 286 affordable housing units for homeless, low-income, and special-needs households, however, none were created and reasons for the difference between goals and outcomes failed to be sufficiently addressed within the report, as required; and

WHEREAS, the County of Hawai‘i’s “2019 Action Plan of the Consolidated Plan (2015-2019),” mandated by HUD and HHFDC to obtain and maintain certain federal and state grant funding, lists 19 actions OHCD will undertake to reduce and/or remove affordable housing barriers, yet the status on some of these actions remains questionable; and

WHEREAS, the County of Hawai‘i lacks a comprehensive plan that defines strategies and target deadlines to create more housing over the short- and long-term, as well as the kind of housing that is needed and its location, how to fund critical infrastructure, ways to foster public-private partnerships, recommendations to leverage state and federal policy tools and funding streams, and policy changes to reduce barriers and obstacles to address the island’s housing crisis with clearly defined purpose, vision, and values; now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE COUNTY OF HAWAI‘I that proactively addressing the housing crisis shall be a top priority in the 2020-2021 fiscal year budget and subsequent budgeting cycles, and serious deliberation must occur on the creation and long-term financial sustainability of an “Affordable Housing Fund” for the purpose of expanding affordable housing opportunities throughout Hawai‘i Island.

BE IT FURTHER RESOLVED that given the sheer magnitude and urgency of this issue, a Hawai‘i County Housing Coalition, to include representatives from the County, private sector, social services, and community-at-large, be formed to help navigate the establishment of an “Affordable Housing Fund” and work in partnership with the OHCD and other relevant County departments and agencies to develop and implement a comprehensive housing plan for Hawai‘i Island.

BE IT FURTHER RESOLVED that the development of the comprehensive housing plan shall take into consideration the data and recommendations put forth in the State’s “Hawai‘i Housing Planning Study, 2016,” State’s “Housing Functional Plan,” “Hawai‘i Housing Action Plan Final Report to the Hawai‘i State Legislature,” and the Aloha United Way report “ALICE: A Study of Financial Hardship in Hawai‘i.”

BE IT FURTHER RESOLVED that the comprehensive housing plan should include the following: social equity; housing options; clear articulation of goals, objectives, and measurable outcomes; a thorough analysis of all available financial resources and incentives, noting their strengths and weaknesses; an assessment of policies and processes at the federal,

state, and county levels as well as recommended adjustments to increase housing development; an action plan and timeline; and an evaluation criteria to measure the achievement of outcomes and recommendations for continual improvement to ensure the OHCD is on track to meet housing development goals.

BE IT FURTHER RESOLVED that to keep track of affordable housing developments being proposed for Hawai'i County, the OHCD shall provide to the County Council a copy of all 201H applications upon receipt and file a quarterly progress report on the 201H applications with the County Housing Agency, as well as progress and challenges faced in the development of affordable housing, in general.

BE IT FINALLY RESOLVED that the County Clerk shall transmit a copy of this resolution to the Honorable Harry Kim, Mayor; the Housing Administrator; the Planning Director; the Director of Finance; the Director of Public Works; the Manager-Chief Engineer of the Department of Water Supply; the Director of Environmental Management; the County Executive on Aging; Corporation Counsel; the Executive Director of the Hawai'i Housing Finance and Development Corporation; the Hawai'i Island Chamber of Commerce Cost of Living Task Force; and the Vibrant Hawai'i Island Leadership Council.