Pillar I.

Remaining Rooted

Ensuring an Affordable Future for Our Island

▶ **Building resilience on O‘ahu** is directly related to maintaining continuity of our community. For the first time since statehood both the entire state and O‘ahu's populations declined for two consecutive years. This outmigration of local families and Honolulu's struggle with homelessness are directly tied to affordability and opportunity. The cost of living in Honolulu is 24.4 percent above the national average and according to the U.S. Department of Housing and Urban Development, a family of four on O‘ahu who brings in $93,300 or less per year (or a single person earning less than $65,350 per year) should be considered "low income."

While Honolulu's unemployment rate is a low 2.3 percent, a 2017 study by the United Way found that 46 percent of employed households are asset limited and income constrained, meaning they may hold multiple jobs to make ends meet, but still live paycheck to paycheck. The bottom line is that O‘ahu's families are stretched thin—both in terms of finances and the ability to spend time together. It also means our families are highly vulnerable to shocks in the economy or natural environment, with little or no safety net to help them through emergencies. O‘ahu residents identified cost of living as the number one vulnerability and "stress" undermining long-term resilience in our community.

The prime driver of the high cost of living is Honolulu's sky-high housing costs. The median price to purchase a single-family home in 2018 hit $795,000 and the median price of condominiums was $400,000. According to one calculation, an annual income of at least $153,520 is needed to afford the average single-family home in Hawai‘i in 2019, while the median 2018 income in Honolulu was only $96,000. Meanwhile, the average hourly wage needed to afford a two-bedroom apartment on O‘ahu is $32.50—the highest in the nation—but the average renter's wage in Hawai‘i is only $13.64. While there are many reasons for the high price of housing, a few key drivers include limited supply; strong demand from real estate purchases from buyers outside of O‘ahu; high City and state regulatory bars for residential developments and permits; high costs for imported building materials; and other factors such as the impact of parking costs on housing prices and high energy costs. Another major factor is the recent explosion of short-term vacation rentals. In 2014, there were 4,411 individually-advertised vacation rental units ("VRUs") on O‘ahu. In 2018, the Department of Planning and Permitting estimated that there are 8,000-10,000 VRU's on O‘ahu, meaning more than one out of every 30 homes on island is now unavailable to local residents. Not only has this trend reduced our local housing, it has also driven up the price of housing. According to a recent report, a 10 percent increase in on-line VRU listings led to a 0.4 percent increase in rental prices and a 0.76 percent increase in home prices.

O‘ahu suffers from a specific lack of affordable housing inventory. As of 2017, O‘ahu was short some 24,000 housing units, and 75 percent of those were needed in affordable housing ranges. While the City has recently re-established a program to refurbish and build publicly-owned affordable units, much more inventory is needed for individuals and families in low- and moderate-income brackets. This effort also helps support the City's "housing first" policy to address homelessness on O‘ahu, a strategy that has found some success. While the City will continue to pursue innovative new policies like building hygiene centers and implementing "lift zones" in conjunction with the Honolulu Police Department to help homelessness issues, long-term resilience requires that housing stock be available to our residents—a prime focus of our Resilience Actions.

Along with housing, O‘ahu residents also spend more for transportation and utilities than the national average. Affordability needs to be complemented by economic opportunity for residents. With high energy costs, O‘ahu has a unique opportunity to open up an innovation economy that drives down energy costs and incubates solutions that create employment and exports technology to the rest of the globe. Leveraging established partners in the field, the City can foster an alternative to the two dominant economic engines of tourism and military spending that are highly sensitive and dependent on external factors.

In response to these challenges, the City and an array of implementing partners will take the following actions:

GOAL 1
Supporting Affordable Housing Development

Action 1 Reduce Empty Homes and Increase Affordable Housing Funding

Action 2 Return Illegal Vacation Rental Units to Local Housing

Action 3 Develop Alternative, Affordable Housing Options for Oʻahu Residents

Action 4 Expand Affordable Housing Funding by Implementing Progressive Property Taxes

Action 5 Implement a Guaranteed Security Program to Support Local Home Ownership

GOAL 2
Reducing Additional Cost Burdens

Action 6 Expand Housing and Energy Transformationby Accelerating the Permitting Process

Action 7 Reduce Utility Costs for Residents through Transparency and Disclosure

Action 8 Increase Housing Affordability by Reducing Parking Requirements

GOAL 3
Improving Economic Opportunity

Action 9 Foster an Innovation Economy through the City's Office of Economic Development

Action 10 Promote New Agricultural Models for Economic and Food Security

Action 1

Reduce Empty Homes and Increase Affordable Housing Funding

Given our extraordinarily high housing costs, housing units should not sit empty—adding to Honolulu's housing supply shortage and high rental rates. Honolulu's median rent for two- and three-bedroom units is the highest in the nation at $1,528 and $2,408, respectively. These high rents are particularly damaging for the 46 percent of Oʻahu households that struggle to afford basic needs. Oʻahu's long-term vacancy rate of 5.3 percent and available vacancy rate of 3.4 percent are among the highest in the nation. Our high cost-of-living and rents are significantly exacerbated by a lack of affordable housing supply and a current focus on the development of higher-end investment properties, many of which do not serve as primary residences and remain vacant for significant portions of the year.

Foreign investment in high-end second homes has skyrocketed from ~$500 million per year from 2008 to 2015 to ~$1 billion per year for 2016 and 2017. Continental investors purchase another $4 to 5 billion each year in Hawaiʻi's real estate market. While this investment brings economic benefits and drives topline growth, these benefits need to be weighed against the costs associated with price inflation and limited supply of affordable housing for permanent residents, not only for vulnerable or low- to moderate-income residents, but also for middle class workers who support Oʻahu's top industry: tourism.

Following Vancouver, British Columbia's innovative lead, the City will implement an annual fee on the assessed value of any residential properties that are left empty for more than six months of any given tax year. Consistently vacant units impose a direct cost burden on the City, which ends up underwriting the building of new additional infrastructure for other housing development to make up for under-utilized properties. The primary objectives of the Vacancy Fee are to: 1) encourage the return of empty or under-used properties to active use as long-term rental stock for residents of Oʻahu; and, 2) provide a source of dedicated funds to directly support the development of affordable housing units throughout Oʻahu. Successful implementation of the Vacancy Fee at a simple 1 percent figure akin to Vancouver's rate could encourage the provision of approximately 10,000 new rental units on island or provide approximately $60 million per year for affordable housing.

Resilience Co-Benefits +

Vacant properties have multiple impacts on a community beyond preventing housing units from being available to local residents, including depressed business generation for local shops, increased squatting and public safety issues including fires, and decreased property values surrounding vacant properties. Opening vacant units for active rental and use has benefits that extend from increasing social equity and neighborhood connections, to making housing more affordable as the supply increases versus demand, and reducing the need for costly additional infrastructure to build new developments outside of current urban areas by simply taking advantage of the living spaces already built and on existing infrastructure systems.

Lead & Implementing Partner(s)

Office of Housing, BFS, DCS, DLM, DPP, Hawaiʻi Community Foundation

Timeframe

Aloha+ Challenge

SMART SUSTAINABLE COMMUNITIES

UN SDG

SUSTAINABLE CITIES AND COMMUNITIES

REDUCED INEQUALITIES

Performance Metrics

- % reduction in Honolulu's overall housing vacancy rate
- New affordable housing units supported by new fee revenue

SPOTLIGHT

Photo by Garrett Gee

Vancouver's Empty Homes Tax

The City of Vancouver passed an "Empty Homes Tax" in 2016 with a goal of increasing the amount of funds available to affordable housing initiatives and encourages owners to make empty units available. It's already showing signs of success: the number of properties declared vacant fell by 15 percent from 2017 to 2018, and 53 percent of those properties are now back on the rental market.

Action 2

Return Illegal Vacation Rental Units to Local Housing

In response to Oʻahu's housing crisis, this action addresses the rampant proliferation of unlawful short-term vacation rental units (VRUs) on our island. With the average vacation rental bringing in about 3.5 times more rental revenue than a regular rental arrangement with local residents, the number of short-term rentals have skyrocketed in recent years. Based on on-line advertising, there are an estimated 8,000-10,000 short-term rentals on Oʻahu, meaning that nearly one of every 30 housing units on the island is not available for local resident housing needs. On the North Shore of Oʻahu, data indicates that as much as 1 in 4 housing units is now being illegally rented for the vacation market. Not only has this trend reduced long-term housing stock for our island residents, it has also driven up the price of housing, directly increasing our cost of living. According to a recent report, a 10 percent increase in Airbnb listings led to a 0.4 percent increase in rental prices and a 0.76 percent increase in home prices. In addition, an estimated 52 percent of short-term rental units in Hawaiʻi are owned by nonresidents, suggesting that it is mainly out of state investors that reap the income benefits. A recent study in San Francisco estimates that the city's local economy suffers a net loss of $300,000 per short-term rental per year.

The City will amend current short-term rental policies to curb the most negative effects of illegal short-term rental proliferation to our economy and neighborhoods while also allowing for certain uses that are clearly beneficial to local homeowners and residents. An effective short-term rental ordinance must include the following:

- Hold platforms (e.g., Airbnb, VRBO, etc.) liable for illegal transactions on their website
- Require platforms to provide data on VRUs to City
- Impose meaningful fines for offenders
- Focus on bringing major offenders and commercial hosts into compliance
- Ensure appropriate and commensurate revenue is collected by the City
- Empower neighboring residents
- Limit the number of units a host may offer for rent and nights a unit may be rented
- Prohibit VRUs from operating in inappropriate types of housing
- Provide clear restrictions on Non-Conforming Units
- Place restrictions on out-of-state investors and VRU owners

Resilience Co-Benefits +

Resilience co-benefits include: reduces natural disaster vulnerability due to the increased burden on residents who have to care for stranded visitors utilizing short-term rentals; increases City revenue for park upkeep, road maintenance, and affordable housing through fines and tax revenue that were previously evaded; preserves and protects social fabric of neighborhoods by ensuring that long-term renters and owners know each other instead of having transient visitors or empty houses in neighborhoods; increases local housing supply by removing illegal short-term units from market.

Lead & Implementing Partner(s)

Department of Planning and Permitting, BFS, Aloha United Way, Pacific Resource Partnership, Hawaiʻi Community Foundation, Hawaiʻi Appleseed Center for Law and Economic Justice

Timeframe

Aloha+ Challenge

SMART SUSTAINABLE COMMUNITIES

UN SDG

SUSTAINABLE CITIES AND COMMUNITIES
NO POVERTY

Performance Metrics

- Reduction in number of active on-line listings of illegal short-term rental units on Oʻahu
- Increase in tax revenue to City from legally-operated VRU's

SPOTLIGHT

A collapsed house near the beach at Hanalei Bay, Kauaʻi

Photo credit: Kevin Kodama, NWS Honolulu Forecast Office

The community of Hanalei, Kauaʻi documented the significant burden that a high concentration of vacation rentals can impose on local residents in the wake of a disaster. For instance, permanent residents with resources and social ties bond together to restore infrastructure and clean up, while unprepared visitors do not have the support of a hotel or other institutional systems and will rely on an already weakened community for assistance.

Action 3

Develop Alternative, Affordable Housing Options for Oʻahu Residents

The basic lack of affordable housing units on Oʻahu is a clear threat to the sustainability and resiliency of our island community. Causes include a shortage of housing inventory, an incentive structure that leads developers to construct high-end properties, a high percentage of existing inventory used as vacation rentals and vacation homes, and high construction costs. In addition, according to the recently released Aloha United Way ALICE study, wages for local residents have not kept pace with soaring costs, which additionally limits housing options. The cost of living is particularly high in the urban core of Honolulu, which leads residents to relocate to marginally more affordable suburban neighborhoods, thereby increasing commuting time, distance, and associated transportation costs while leading to urban sprawl.

With Honolulu's rail system set to begin limited operations in 2020 and robust complementary Transit-Oriented Development (TOD) plans under way and new federal programs such as the Opportunity Zone program, there is a tremendous opportunity to increase both the stock and the type of affordable housing offered to residents. Increasing affordable housing inventory along transit lines will enable more families and vulnerable communities to secure stable housing and increase their access to jobs, goods, and services in the vital urban core. However, this building opportunity should not be limited to traditional housing unit arrangements.

The City will work to create more housing options for residents including: (1) Expanding Honolulu's land-use policy to allow for more shared housing and cooperative models in TOD zones; (2) Developing shared living residences for seniors in TOD zones that would provide affordable housing with community centers connected to rail stations and other services; (3) Further encouraging the building of Accessory Dwelling Units (ADUs) by undertaking a marketing campaign, improving the ADU permitting process, and removing financial impediments to ADU construction; (4) Supporting the building of a pilot pocket community, which could have multiple dwelling units with central shared dining and bathroom facilities; and (5) supporting additional culturally appropriate housing models, such as kauhale.

Resilience Co-Benefits +

In addition to increasing housing supply and providing support for Honolulu's "Housing First" approach to address homelessness, building new models of affordable housing in TOD zones will support greenhouse gas mitigation goals by getting people out of their cars, and reducing commute time which decreases overall emissions. Building along the transportation corridors will also foster community connectivity and resilience by allowing residents to spend less time in the car and more time with family and community. Finally, building at greater density across all alternative models will curb urban sprawl, which is good for ecosystems, agriculture, and preserving green space.

Lead & Implementing Partner(s)

Department of Community Services, HOU, Aloha United Way, Hawaiʻi Community Foundation

Timeframe

Aloha+ Challenge

SMART SUSTAINABLE COMMUNITIES

UN SDG

SUSTAINABLE CITIES AND COMMUNITIES

INDUSTRY, INNOVATION AND ARCHITECTURE

Performance Metrics

- Number of new ADUs constructed
- Total number of shared housing units constructed

SPOTLIGHT

Kauhale
The kauhale concept is rooted in the traditional Native Hawaiian model with a cluster of houses surrounding communal areas for cooking, eating, and washing. A similar, plantation-style community was most recently promoted at Kahauiki Village near Keʻehi Lagoon, where clustered development allows for more housing and shared spaces.

Photo by Aaron Yoshino

Action 4

Expand Affordable Housing Funding by Implementing Progressive Property Taxes

At 0.28 percent, Hawai'i has one of the lowest property tax rates in the country, which acts as an unintended incentive for non-residents to invest in real estate on O'ahu, driving up the market prices for local residents. Having the lowest property tax rate in the country worsens the City's resilience in two major ways: (1) it increases overall home prices, because low tax rates attract investment and more money can go towards the purchase price; and (2) it deprives the City of the financial resources needed to provide affordable housing and implement other projects aimed at building a resilient 21st century city.

With one of the lowest property tax rates in the country and rising offshore ownership of high-end properties, a progressive taxation model can help redistribute property tax burdens. Median home prices and rents in Honolulu are the highest in the nation and 46 percent of O'ahu's households have difficulty meeting basic needs. Affordability is one of Honolulu's greatest resilience challenges. Meanwhile, foreign and continental U.S. property investment is booming. While this drives significant economic benefits, it also has costs and exacerbates affordable housing and other issues. Although the low property tax rate in part reflects the higher average property values on O'ahu, the underlying dynamics outlined above continue to have an adverse impact on resilience.

Shifting to a progressive property tax would help address both of these issues—retaining a low property tax rate for residents least able to pay, increasing the rate for property classes most likely to be the subject of offshore and absentee investment, and increasing revenue for the City to devote to the provision of affordable housing and other critical City services. For example, if an effective Residential A Tier 2 tax rate, imposed on assessed value on any valuation higher than $1 million, was increased from the current 0.90 percent to a range between a 1.19 percent (national average) and a 2.38 percent effective tax rate (highest in the nation New Jersey rate) was enacted, the City could potentially raise an additional $24 million to $119 million a year while maintaining the exact same property tax rates on a majority of homeowners on island. Exemptions should be provided under certain circumstances.

Additional taxes generated could be used to fund the construction of affordable rentals targeting 60 percent of the area median income and below, using either City or State funding instruments, such as the Rental Housing Revolving Fund.

Resilience Co-Benefits +

A progressive tax structure will dampen upward price pressure on housing and rents, and create a source of funds for affordable housing and other equity enhancing measures. It will increase the supply of productive land that can go to housing and thus the supply of housing. Such a fee can also help close a growing equity gap between wealthy and working class residents on O'ahu.

Lead & Implementing Partner(s)

Department of Budget and Fiscal Services, DCS, DLM, Aloha United Way, Hawai'i Appleseed Center for Law and Economic Justice, Hawai'i Community Foundation

Timeframe

Aloha+ Challenge

SMART SUSTAINABLE COMMUNITIES

UN SDG

SUSTAINABLE CITIES AND COMMUNITIES

REDUCED INEQUALITIES

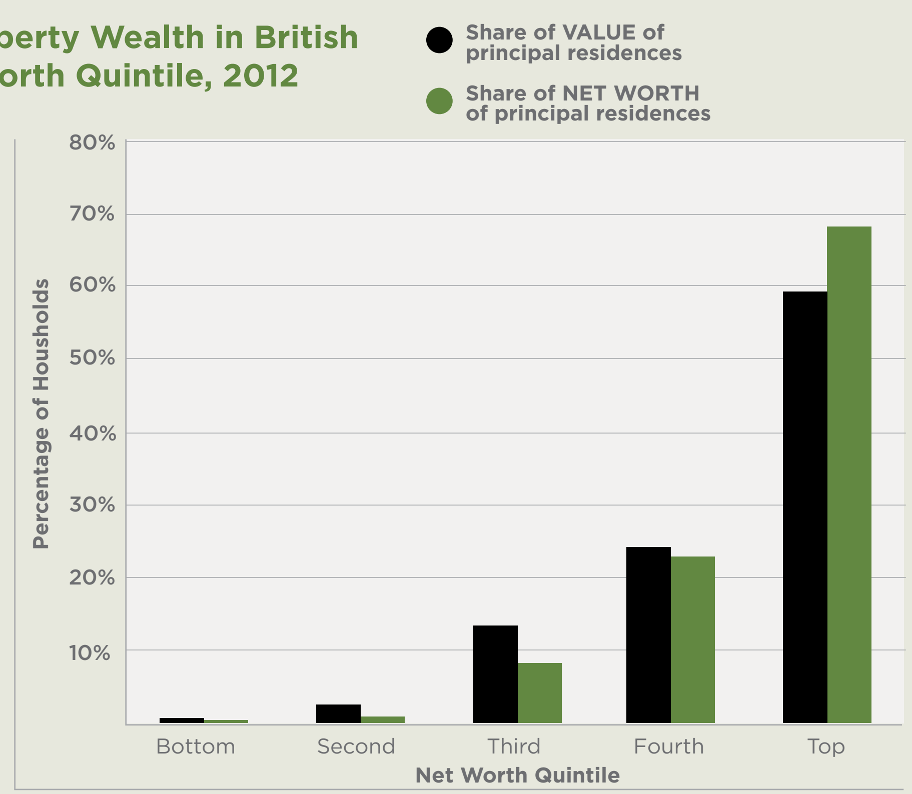
Performance Metrics

- Increase in equity in baseline cost of living percentage across income classes
- Increase in City and County of Honolulu revenue for affordable housing

SPOTLIGHT

Distrubution of Property Wealth in British Columbia by Net Worth Quintile, 2012

Surging housing prices exacerbate inequality and widen the gap between rich and poor. For example in Vancouver, the top 20 percent of the population in terms of net worth own 68 percent of housing value, and the bottom 60 percent of the population owns only 9 percent. When property prices rise—as they have in Vancouver and Honolulu—then more value accrues to the wealthy while making it increasingly difficult for the poor to afford housing at all.



Graphic adapted from Marc Lee

Action 5

Implement a Guaranteed Security Program to Support Local Home Ownership

High housing costs not only make home ownership more difficult for the working class, in many cases coming up with a rental security deposit can be out of reach, especially for young workers. Forty-six percent of O'ahu's households have difficulty meeting basic needs with about 10 percent officially living in poverty. Meanwhile, the high cost of living serves as a major hurdle to local residents to save up enough for both rental security deposits and down payments for housing purchase.

The City has an active program that grants eligible residents 0 percent interest loans toward a down payment on their first homes (Honolulu Down Payment Loan Program); however this program is often over-subscribed and is not available to renters—who constitute the lion's share of those in need of assistance. A Bonded Security Deposit Program can address both the needs of renters initially struggling to save enough for a security deposit and simultaneously allow them to build equity towards a future home purchase.

The City will explore the potential to work with a nonprofit partner to administer the program and identify federal, state, and local private foundation funding sources. The nonprofit partner would essentially guarantee the security deposit to a landlord up front, while allowing the renter to slowly contribute to and build up the security deposit balance through monthly contributions. The balance would be accruing interest and growing under the management of the nonprofit. Assuming the security deposit isn't actually needed at the time of move-out, the deposit can be carried over and used for the next rental, and/or continue to grow over time to help serve as a later down payment for purchase. Renters with an excellent track record of saving and caring for properties can be identified and earn the same kind of "advance" for a down payment where the Honolulu Down Payment Loan Program is not available.

Resilience Co-Benefits +

This program will help alleviate housing affordability issues, decrease homelessness, and improve economic mobility by giving residents in need greater flexibility to move where the jobs are. This will improve the economic and physical security of residents by decreasing the need to rely on high interest loans and predatory payday lenders. It will increase disposable income and mitigate situations where landlords withhold security deposits without cause.

Lead & Implementing Partner(s)

Department of Community Services, Hawai'i Community Foundation

Timeframe

Aloha+ Challenge

SMART SUSTAINABLE COMMUNITIES

UN SDG

SUSTAINABLE CITIES AND COMMUNITIES

NO POVERTY

Performance Metrics

- Number of security deposit loans administered
- Delinquency rate on loan payback

SPOTLIGHT

Families move into a new housing project on Farrington Highway in Wai'anae, Kauhale Kamaile

Photo credit: Department of Land Management

Honolulu Down Payment Loan Program: The City and County of Honolulu's Down Payment Loan Program is part of the City's efforts to promote homeownership and create a strong community. Utilizing HOME Investment Partnership Act funds from the U.S. Department of Housing and Urban Development, this program provides zero interest loan to qualified low- and moderate-income families to meet down payment requirements for home purchase.

Action 6

Expand Housing and Energy Transformation by Accelerating the Permitting Process

In order to meet the challenge of increasing O'ahu's housing stock and meeting renewable energy and transportation goals, the City will improve the overall permitting process and expedite critical areas. The City will reconvene the Permit Streamlining Task Force to help encourage better coordination and training across City departments with input from residents, construction firms, and businesses. The City will also work to hire and retain adequate staffing levels to carry out the mission. For many years the average staff vacancy in Department of Planning and Permitting (DPP) hovered around 20 percent, creating significant difficulties in application processes. The reasons for this are multi-faceted, but the City recognizes that a long-term solution must be found to have enough staff to both protect public safety and efficiently approve permits.

The City will allow for increased self-service, third-party review, and automated processes and certifications. We will invest in updates to DPP's software and will also adopt a stricter approach to accepting incomplete applications which has slowed review.

The City will also maintain a "Mālama Monday" program to allow existing staff to focus on permit processing one day a week to clear backlogs, and explore the potential of charging fees for staff to meet with applicants for requested meetings.

Energy-related permits are critical to the City's 100 percent renewable energy goal, and to reducing the monthly cost of living for residents seeking to install their own power supply. The City will work to move permitting for solar photovoltaic for multi-family and townhomes, energy storage, and electrical vehicle charging station permits on-line; allow for email requests for inspections and set a goal of 48 hours from initial request to inspection; move to a spot auditing process that utilizes statistical analysis methods; and, develop a standardized list of inspection checks and requirements to ensure uniformity and consistency from all the inspectors.

Resilience Co-Benefits +

A quicker, more efficient permitting process is not only critical to increase the pace of constructing affordable housing and save the City, businesses, and residents money and time, it will be a major deciding factor in the City's ability to achieve climate mitigation and adaptation goals.

Lead & Implementing Partner(s)

Department of Planning and Permitting, Resilience Office, OED, State Energy Office, Hawai'i Regional Council of Carpenters, Pacific Resource Partnership, Hawai'i Energy, Hawaiian Electric, Building Industry Association of Hawai'i

Timeframe

Aloha+ Challenge

SMART SUSTAINABLE COMMUNITIES

UN SDG

SUSTAINABLE CITIES AND COMMUNITIES

INDUSTRY, INNOVATION AND ARCHITECTURE

Performance Metrics

- Increase in number of permits issued per staff position
- Reduction in average duration for permit process from submission to issuance

SPOTLIGHT

City ePlans: In July 2012, DPP implemented the Electronic Plan Review (ePlans) system on a voluntary basis to provide a more transparent permitting process. ePlans eliminates the time-consuming practice of going to the permit counter to submit building plans because applicants can file the plans from their computer at their convenience. This online system offers financial benefits by reducing paper use, printing and storage costs, driving time and gasoline consumption. ePlans will be a learning process for both the City and applicants. ePlans is a powerful system to facilitate this action.

Action 7

Reduce Utility Costs for Residents through Transparency and Disclosure

Following housing and transportation, utility bills are the highest expense for an average island household, and as of April 2019 O'ahu has the highest urban residential electricity prices in the nation at 28.22 Cents/kWh, compared to a 12.87 cents/kWh national average. The average Hawai'i households' electricity bill is the highest in the nation at $149.33 a month, which is extraordinary considering that our average monthly consumption is the lowest in the nation. While homeowners have a direct incentive to lower their monthly consumption and upgrade to energy efficient equipment, this is not always the case for owners of rental properties that don't pay the monthly utility bill. Implementing new policies that further incentivize energy efficiency in residential rental and sale properties will lower the long term cost of living for O'ahu households.

Currently, prior to the sale of residential real property, Hawai'i property owners are required under state law HRS 508D-10.5 to "make a good faith declaration of electricity cost" for the most recent three-month period in which the property was occupied. However, no copies of the electricity bills are required, and compliance with the law is irregular.

The City will implement a Residential Energy Conservation Ordinance (RECO) that will allow buyers/renters to make more informed decisions when deciding to purchase or rent a home. The primary tool to promote energy efficiency and increase pricing transparency will be a Standard Energy Disclosure Form required from sellers/lessors to buyers/renters of all residences on O'ahu. This type of transparent disclosure requirement will provide buyers and renters with better information about the energy efficiency and on-going utility costs of the home or rental unit they are considering, much like appliances require disclosure of the average energy use. For the first time, buyers/renters will be able to factor in longer-term energy-related operation and maintenance costs into their immediate purchasing decisions.

A RECO will complement the proposed commercial Energy Benchmarking and Retro-commissioning ordinance, and help addresses the "split incentive" problem, as property owners will now have an incentive to increase the energy performance of their units to better attract buyers and renters. This will also incentivize efficiency improvements in the existing residential building stock. In addition, since updated energy and building code improvements are generally limited to new construction or major improvements, a RECO will help increase efficiency in the more than 80 percent of homes in Hawai'i that were built prior to 1990.

Resilience Co-Benefits +

Energy savings will reduce the long-term cost of living on O'ahu. In addition, this action has several greenhouse gas mitigation resilience co-benefits: a RECO will promote the reduction of greenhouse gas emissions related to utilities, reduce electricity usage, and improve our move to energy efficiency.

Lead & Implementing Partner(s)

Office of Climate Change, Sustainability, and Resiliency, DPP, Hawai'i Energy, Hawaiian Electric, Chamber of Commerce Hawai'i, Helping Hands Hawai'i

Timeframe

Aloha+ Challenge

SMART SUSTAINABLE COMMUNITIES

UN SDG

AFFORDABLE AND CLEAN ENERGY

REDUCED INEQUALITIES

Performance Metrics

- Percentage of residential properties in compliance with disclosure
- Average energy use per household

SPOTLIGHT

City of Portland Home Energy Score: Many homes in Portland were built in the early 1900s, before building codes set energy efficiency requirements. Portland is now one of the first cities in the nation that require sellers of single-family homes to obtain and disclose a Home Energy Score estimating the energy-related use, associated costs, and cost-effective solutions to improve the home's efficiency. In Honolulu, with some of the highest home energy costs in the country, potential renters and homeowners should know what kind of monthly bill they are likely to take on when comparing units.

Graphic credit: US DOE

Action 8

Increase Housing Affordability by Reducing Parking Requirements

Many U.S. and international cities have updated policies to either greatly reduce the number of parking stalls required for development, set a maximum or cap on the number permitted to be provided, or eliminated entirely parking requirements from certain types of development. Automobile parking spaces are increasingly becoming a burden instead of a benefit on our cost of living, and with current trends in new mobility, they may become a liability in the near future. Parking spaces are expensive to build upfront and maintain over the long haul. In Honolulu, each individual parking stall in a parking structure is estimated to cost anywhere from $20,000 to $50,000 to build (which is then added to the cost of a housing unit), not including the cost of the land itself. These costs are passed on to owners and tenants, thereby driving up the cost of housing in urban areas and contributing to affordability issues for O‘ahu's residents, especially for an increasing portion of young residents that elect not to own a car at all. Second, parking spaces take up valuable space that could have greater value to serve more pressing social need. Structured parking areas takes away space that could otherwise be used to increase our limited housing supply, while the space afforded to on-street parking could be better used for other transportation modes like scooters and bicycles, walkways, dedicated public transit lanes, green spaces, and parks. Finally, an over-supply of parking spaces encourages more driving, which undermines our ability to reduce greenhouse gas emissions. In Mexico City, recent policy changes actually imposed a cap on the number of parking spaces required for each housing unit in development.

To decrease the cost burden of parking spaces, the City will update its Land Use Ordinance and consider strategies such as having zero parking requirements for new residential properties in Transit-Oriented Development zones and implementing parking maximums for specific types of land uses. The City will also utilize shared parking strategies (e.g., parking for commuters during the day and residents or retail patrons in the evening and weekends) to maximize the use of parking spots. Finally, the City will explore passing a Transportation Management Program that would provide incentives for property managers to provide new mobility options such as a bikeshare pass or the City's Holo Card, to tenants instead of required parking spots.

Resilience Co-Benefits +

In addition to reducing the cost of living for urban residents, this action will decrease greenhouse gas emissions by encouraging public transportation and new mobility, making space for alternative transportation modes and creating room for greenways; it will encourage more active lifestyles to benefit the health of our communities; and improve the walkability of our urban space.

Lead & Implementing Partner(s)

Department of Planning and Permitting, HOU, DTS, State DOT

Timeframe

Aloha+ Challenge

SMART SUSTAINABLE COMMUNITIES

UN SDG

SUSTAINABLE CITIES AND COMMUNITIES

INDUSTRY, INNOVATION AND ARCHITECTURE

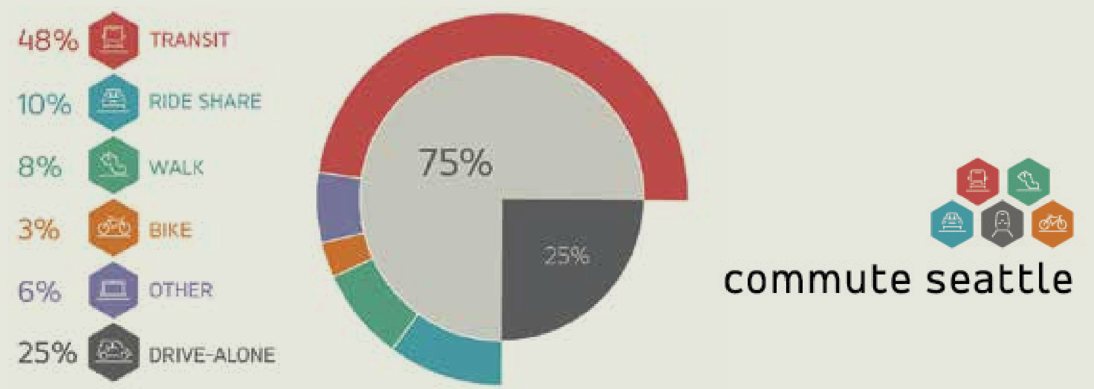
Performance Metrics

- Decrease in the number of parking stalls per housing unit in new construction
- Number of property managers who provide mobility options to tenants

SPOTLIGHT

Getting Around Town

The City of Seattle, WA, recently adopted a suite of parking reforms that work to maximize the use of existing parking, reduce the requirements for the provision of off-street car parking and increase the requirements for bicycle parking, and separate the costs of parking from rents for those that do not chose to use or do not require parking. Seattle also uses both Transportation Demand Management and Commute Trip Reduction programs to facilitate the use of a full range of travel options, including transit, walking, carpooling, bicycling, and telecommuting. According to Commute Seattle, in 2017, just 25 percent of commuters traveling into downtown Seattle are driving alone during the peak hours of 6 to 9 am. This number is expected to drop even further as City targets gets more aggressive.



Action 9

Foster an Innovation Economy through the City's Office of Economic Development

Expanding the diversity of Oʻahu's economy is a crucial step toward addressing long-term affordability and resiliency for our island community. Oʻahu has a natural advantage in the renewable energy market and we should leverage our position for the long-term economic benefit of our workforce. At present, 36 percent of Hawaiʻi's economy is largely tied to two sectors: tourism and the military. The tourism industry generates 20 percent of Hawaiʻi's total GDP and supports some 204,000 jobs, while military expenditures and contracts constitute another 16 percent. While in recent years Hawaiʻi's tourism industry has been steadily growing, it's clear that the industry is cyclical. In times of global economic downturn, economies which are overly dependent on tourism are disproportionately impacted and slow to recover, while those with more diversified economies bounce back more quickly. Meanwhile, the recent political turmoil surrounding the U.S. federal budget has cast doubt upon the reliability of federal spending and support.

The State and City have strong alignment in their energy and sustainability goals, but the business and entrepreneurial sector is critical to ensuring progress on the energy front and developing innovation as a "third" pillar of our economy.

The City can strengthen nascent partnerships and develop additional capacity at the City's Office of Economic Development (OED). OED could benefit from a clearer mission and establishing it in the City Charter, while supporting the creation of an "innovation economy" with additional key personnel. A next-generation OED could establish a "one-stop" shop for investor and entrepreneurs, especially those bringing foreign direct investment. OED can also work across City departments to reduce barriers for new businesses, start-ups, and nonprofits who could pilot new innovations at City facilities and update web resources to include an inventory of resources and tips for doing business on Oʻahu. OED will also include appropriately trained economic personnel with requisite language skills to provide service and assistance to international markets. This is especially important due to the growing recognition of Hawaiʻi as an energy hub for the Asia-Pacific region. OED will closely partner with the multiple local incubators that are supporting start-up enterprises that can build inroads to sister cities through OED's networks; commit to the creation of an Oʻahu Economic Development Strategy every five years developed in close partnership with key stakeholders; and, introduce a Business Incentive Program for Honolulu, with the desired outcome to create and retain quality jobs and capital investments across Oʻahu, with a particular emphasis in low- and moderate-income communities.

Resilience Co-Benefits +

Besides reducing economic vulnerability for our island, diversification can also create economic opportunities for a wider swath of Oʻahu's residents, building new pathways for underemployed and vulnerable populations. Encouraging the development of the renewable energy sector and the broader green and blue economies can also create a workforce with the skills and know-how to hasten Hawaʻi's transition away from oil dependence and adapt our communities in the face of climate change.

Lead & Implementing Partner(s)

Office of Economic Development, State DBEDT, State DOA, Chamber of Commerce of Hawaiʻi, University of Hawaiʻi, Oceanit, Hawaiian Electric, Oʻahu Economic Development Board, Elemental Excelerator, East-West Center, Hawaiʻi Business Council, Hawaiʻi Community Foundation

Timeframe

Aloha+ Challenge

GREEN WORK FORCE & EDUCATION

UN SDG

DECENT WORK AND ECONOMIC GROWTH

INDUSTRY, INNOVATION AND ARCHITECTURE

Performance Metrics

- Percent GDP attributed to non-tourism/non-military
- Amount of foreign direct investment in the innovation economy arena

SPOTLIGHT

San Diego's Economic Development Strategy 2017-2019: San Diego, CA, like Honolulu, was dependent on tourism and the military, but made a concerted effort over a decade ago to partner with the academic and non-profit sectors to build an ecosystem that helped energy innovation thrive. Today, San Diego stands out as a strong example of where smart city technology, innovation, and renewable energy have helped them decouple their economic performance from their carbon emissions.

Action 10

Promote New Agricultural Models for Economic and Food Security

Currently, 85-90 percent of Hawai'i's food is imported. This not only presents a significant security issue should a shock or stress interrupt the supply of food to our island community, but long distance shipping also drives up the cost of living for residents, contributes to our state's high greenhouse gas emissions, and saps the nutrients and shelf life from the food we eat. Furthermore, dependence on imported food makes our island particularly vulnerable to global energy and high food prices.

According to the State Department of Business, Economic Development & Tourism (DBEDT), replacing just 10 percent of the food Hawai'i currently imports would shift some $313 million dollars per year back to local businesses in the State of Hawai'i.

Specific recommended actions include the following:

- Engage an "O'ahu Food Policy Council", made up of local food policy and farming leaders, to guide and advise the City on best practices to ignite a more robust local food and urban farming industry in Honolulu.
- Implement City-related elements of the State Office of Planning Department of Business, Economic Development & Tourism's Increased Food Security and Food Self-Sufficiency Strategy.
- Create an "Urban Farming Roadmap" and partner with nonprofits to pilot projects to support struggling farmers and showcase container farming in the urban-core to test potential to scale more broadly on island.
- Create clear, strategic collaboration between the City and accelerator/incubator groups working in the local food space to encourage mentorship, adoption of technology, and find new pathways to investment for local food entrepreneurs.

In addition, an important agricultural lands designation ordinance should be implemented and the Agricultural Liaison position will work closely with State Department of Agriculture and the Agribusiness Development Corporation to promote local food production and self-sufficiency in more traditional non-urban farm operations on island. Finally, agricultural sustainability should be encouraged by producing more agricultural inputs on-island and encouraging small-scale backyard farming through programs and policy.

Resilience Co-Benefits +

Developing urban farming will decrease O'ahu''s food insecurity and reliance on imports in the face of natural disasters and global energy/commodity price fluctuations. Furthermore, it will create jobs and diversify O'ahu's economy; reduce pressure for land cultivation on our land-limited island; minimize agricultural water consumption; provide a system for recycling urban waste; increase urban green space; and provide O'ahu's residents with fresher, more nutrient-rich products.

Lead & Implementing Partner(s)

Office of Economic Development, DPP, DPR, State DBEDT, State DOA, Hawai'i Green Growth Local2030 Hub, Kupu

Timeframe

Aloha+ Challenge

LOCAL FOOD

UN SDG

ZERO HUNGER

DECENT WORK AND ECONOMIC GROWTH

Performance Metrics

- Percentage of local food produced and consumed on O'ahu
- Reduce average age of farmers on O'ahu by engaging youth over time

SPOTLIGHT

Freight Farms is a Boston-based company that modifies shipping containers to grow hydroponic plants and vegetables. A couple of the benefits touted are the ability to grow food anywhere—even in an unused shopping center parking lot—and year-round, since water, light, and nutrient input are automatically controlled.