

AFFORDABLE RENTAL HOUSING NEEDS OF NATIVE HAWAIIANS – 2015 UPDATE

Derrickson J.D. (2015). Honolulu, HI: Office of Hawaiian Affairs, Research Division, Special Projects.

INTRODUCTION This two-part series will summarize current information on the economic self-sufficiency needs of Native Hawaiians. Part I focuses on affordable rental housing needs; Part II on income inequality. This report commences with background on the overall affordable rental challenge in Hawai‘i, progresses to a summary of findings specific to Native Hawaiians, and concludes with actionable implications.

BACKGROUND Affordable housing is defined by the U.S. Dept. of Housing and Urban Development (HUD) as paying no more than 30% of one’s gross income on housing-related expenses. Over 50% of Hawai‘i’s renters report they spent more than 30% of their income on housing expenses in 2013, leading to fewer funds to pay for other necessities. Poverty is a root cause of many housing challenges. However, unlike TANF (cash assistance) the key governmental rental housing subsidy, Housing Choice Vouchers (HCV), is not an entitlement program. Consequently, the demand for HCV greatly exceeds the supply. HCV reduce housing stress by lowering rents, enhancing housing stability and freeing funds for non-housing expenses. In addition to poverty and insufficiency of HCV, lack of affordable rental units is now recognized as a leading cause of increased homelessness throughout the nation, especially among families (Mayors, 2014). In Hawai‘i the rental housing shortage has been verified by the Hawai‘i Housing Planning Study -2011 and a shortfall of rental vacancies, particularly on O‘ahu and Hawai‘i islands by the U.S. Bureau of the Census (ACS, 2014). In addition, State and County housing assistance, and even measurement of increased “Point-in-Time” homelessness counts stem from the Federal government’s Housing First approach which targets eradication of chronic homelessness by 2015, and ending homelessness for families, youth and children by 2020 (USICH, 2010).

NATIVE HAWAIIANS DIFFERENCES

Although 1 in 5 (21.3%) of Hawai‘i’s residents are Native Hawaiian, housing data about this population is limited. The following narrative relies on the Hawai‘i Renters Study-2013 (HRS) which compared responses from Native Hawaiian recipient and waitlist households with those from non-Hawaiian households. Three distinctions merit discussion.

1. **Almost two-thirds of Native Hawaiians with limited incomes prefer homeownership**, as it provides them an opportunity to reaffirm and perpetuate ancestral ties to their *kulaiwi* (homeland). Seventy-two percent of HCV Native Hawaiian households desired homeownership vs. only 47% for non-Hawaiians (HRS).
2. **Native Hawaiian renters typically have more children and larger households, which result in a need for more bedrooms to be adequately housed.** As documented in Figure 1, compared to non-Hawaiians, Native Hawaiian households typically consist of families with various children, and/or multi-generational family members and are much less likely to be a single household (14% vs. 56%). In addition, the average Native Hawaiian HCV recipient was 15 years younger than the average non-Hawaiian recipient (43 vs. 59 years). Figure 2 verifies that a disproportionate percent of Native Hawaiian families with children were homeless or receiving homeless outreach services in FY2013 (HSUR FY2013, Supplement). Thus, in comparison to the average non-Hawaiian HCV recipient or a typical homeless person, a disparate number of Native Hawaiian families with children--not households without children--suffer. In addition, differences in household size and composition create higher rates of overcrowding which can negatively impact health and educational outcomes. Solutions to this dilemma include concurrently increasing the availability of rental units with 3 or more bedrooms and the rental assistance such as HCV (See HUD User, Evidence Matters, Fall 2014: Subsidized Housing).

“There’s not enough space for my children and I. The cost of rent is not worth it for a one bedroom unit, but I don’t have the means to afford another place that has a room for my family. It’s also far from everything I have to do.”

Native Hawaiian family of five (HRS)

Figure 1. Native Hawaiian vs. Non-Hawaiian HCV Household Size Comparisons

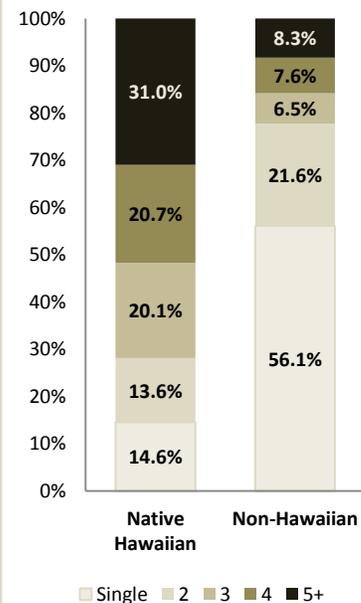


Table 1. Key Comparisons (ACS 2013)

Key Variables	Native		Difference
	Hawaiian	State	
Mean Household Size	3.51	3.02	0.49
Per-Capita Income	\$20,472	\$29,577	-\$9,105
Overcrowding (>1 p/room)	14.5%	8.9%	5.6%
% Children under age 18	34.6%	21.9%	+12.7%
% Seniors over age 64	8.1%	15.7%	-7.6%
% Family Households	74.4%	69.1%	+5.3%
% Family Poverty	10.6%	7.1%	+3.5%

Figure 2. Families with Children Served by Homeless Outreach Providers in FY 2013

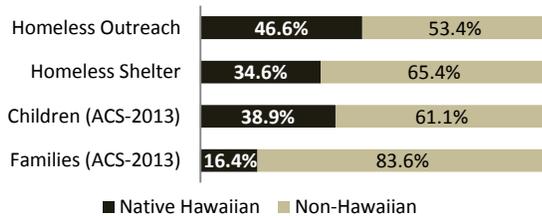
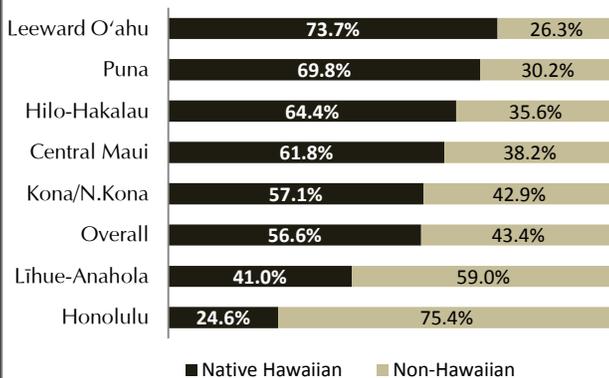


Figure 3. HCV Comparison of Desired Location: Native Hawaiians vs. Non-Hawaiians (HRS)



LINKS TO KEY SOURCES

NATIVE HAWAIIAN

- [Hawai'i Renters Study, 2013](#)
- [American Community Survey](#)

STATE OF HAWAII

- [Hawai'i Appleseed - Policy Briefs](#)
- [State of Hawai'i Homeless Programs and Information](#)
- [Hawai'i Housing Planning Study, 2011](#)
- [Homeless Services Utilization Report Statistical Supplement, 2013](#)
- [City and County of Honolulu Mayor's Office of Housing](#)

UNITED STATES

- [Out of Reach: National Low Income Housing Coalition](#)
- [U.S. Mayors Hunger and Homelessness Report, 2014](#)
- [HUD USER. Evidence Matters, Fall 2014](#)
- [USICH, Federal Plan to End Homelessness, 2010](#)

NATIVE HAWAIIAN DIFFERENCES (CONTINUED)

3. Lower Per-Capita Income (PCI). Despite having multi-wage earners, Native Hawaiians continue to have lower family incomes than other populous ethnic groups in Hawai'i. As depicted in Table 1, due to larger family sizes the per-capita income of Native Hawaiians was \$9,105 less than the state average in 2013. Thus, on average, a Native Hawaiian family has to stretch limited resources further to provide for necessities for each family member than ethnic groups with smaller average family sizes. Native Hawaiian families employ three key strategies to mitigate the high costs of rental housing:

- Live with family longer, for free or for a substantially reduced payment rather than living independently;
- Purposely rent unit with fewer rooms than needed, because it is more affordable, resulting in higher rates of overcrowding (more occupants per room); and,
- Prefer to live in rural areas (i.e. Leeward O'ahu) where rental costs are typically lower rather than metro areas (See Figure 3: HRS).

ACTIONABLE RESEARCH IMPLICATIONS

- Overall. In addition to affordability and location, for cost-effective administration of limited housing resources (regardless of ethnicity) housing officials are encouraged to consider the critical impact of different household sizes and respective appropriate bedrooms required to adequately house larger low-income families. Analysis of average housing related statistics (i.e. median rents, % with affordable rental housing), without consideration of household size differences can be misleading, if not erroneous when used for planning and policy making. [Table 8 of the HRS](#) (p. 65) provides a useful comparison of the average family structure and bedrooms needed for Native Hawaiians and non-Hawaiians in the 15 districts across the state.

- Native Hawaiians. An enhanced supply of affordable 3 and 4 bedroom rentals and of HCV rental subsidies is warranted. Providers of housing assistance are also encouraged to determine if the Native Hawaiian family seeks homeownership and if so, to provide financial counseling with this in mind. Additional information on Office of Hawaiian Affairs' efforts to enhance income and housing stability are available at www.oha.org under Economic Self-Sufficiency.

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