

An Assessment of Rental Housing Affordability and its Impact in Native Hawaiian Communities

Ho‘okahua Waiwai (Economic Self-Sufficiency) Fact Sheet, Vol.2015, No. 1



Photo by Kai Markell

Affordable Rental Housing in Native Hawaiian Communities

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Native Hawaiians have always valued stewardship of their surrounding natural resources as it connected them to the ‘āina (land) and kai (ocean). These connections to resources created security and economic self-sufficiency within communities. Concepts of resource ownership in Hawai‘i were very different than those of western society. Today, one way that Native Hawaiians re-establish their connection to the ‘āina is through their housing. However, many Native Hawaiian ‘ohana (family) struggle to achieve affordable and adequate housing amid Hawai‘i’s increasingly expensive housing market. Affordable and adequate housing supports health, education and well-being of the entire ‘ohana and kaiaulu (community). The Office of Hawaiian Affairs (OHA) supports Native Hawaiians in improving their well-being through the implementation of a strategic plan, which places a priority on building stability in housing by increasing homeownership and reducing the percent of cost-burdened renters, who spend more than 30% of their income on rental housing costs. This measure of Native Hawaiian cost-burdened renters serves as OHA’s Rental Affordability Indicator.



This Engraving appeared in 1819 in Freycinet's *Voyage Around the World*. Courtesy Bishop Museum Archives.

This fact sheet provides a comprehensive assessment of the distinct rental housing needs of Native Hawaiians. It is designed to inform community members and decision-makers on the diversity of housing needs in order to improve housing conditions for all Hawai‘i residents. Affordable rental housing is a complex topic which requires an integrated understanding of demographics, income, rental expenses, the supply of housing units, and rental subsidies. Unfortunately, relevant information specific to Native Hawaiian rental housing needs and affordability is often fragmented, outdated, and incomplete.

To provide a nuanced discussion, this fact sheet summarizes findings on a variety of related topics, from the national U.S. housing crisis to a detailed analysis of OHA’s Rental Affordability Indicator. Critical context for the indicator is provided through a review of key pieces of housing data including demographic and housing comparisons by county, Housing Choice Vouchers (HCV), Area Median Incomes (AMI), and Fair Market Rents (FMR). Each section concludes with the implication of these findings for the assessment and improvement of rental housing affordability for Native Hawaiians. In addition to identifying factors that affect current rental affordability, this report will also outline considerations that will impact future rental housing needs of Native Hawaiians.

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Research Division
Special Projects Unit
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Affordable Rental Housing Crisis

NATIONAL AFFORDABLE RENTAL HOUSING CRISIS

Affordable housing is defined by the U.S. Dept. of Housing and Urban Development (HUD) as “housing for which the occupants pay no more than 30% of their household’s gross income on housing-related expenses.” Numerous studies have documented the extent and severity of our national housing crisis. In summary:

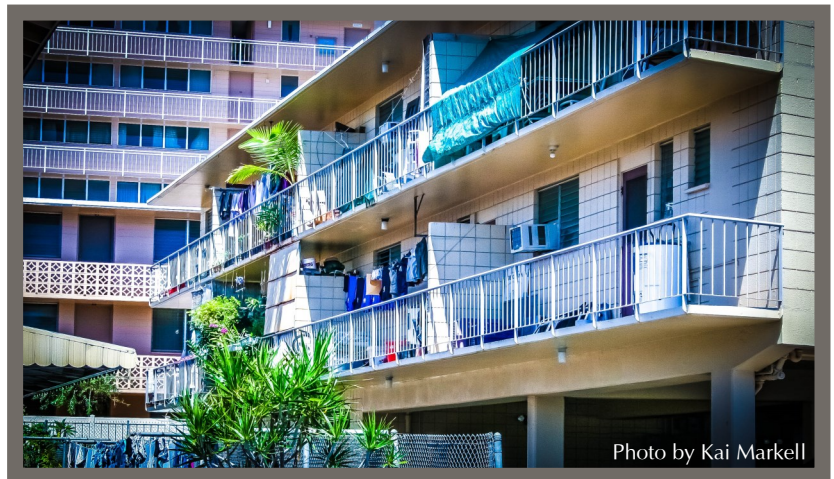
- Despite economic recovery across the nation even moderate-income renters struggle to afford housing, especially in high-cost Metro areas (Harvard University, 2015);
- Although homeownership costs have fallen and rents have risen since 2010 (Ault, Sturtevant, & Viveiros, 2015), forecasts project that homeownership will decline and renting will increase through 2030 (Goodman, Pendall & Zhu, 2015); and,
- When rental housing is not affordable, financial stress results in overcrowding, frequent moves, and/or homelessness which subsequently leads to negative effects on health and well-being (Maqbool, Viveiros & Ault, 2015).

Historically, the government has attempted to address low-income housing affordability problems through the provision of rental housing subsidies like Housing Choice Vouchers (previously known as Section 8). Currently, however, the number of low-income eligible renters far outnumbers available subsidies. Additionally, due to increasing rental housing costs fewer renters will receive housing subsidies in 2015 than in 2005 (Harvard University, 2015).

HAWAI‘I AFFORDABLE RENTAL HOUSING CRISIS

Hawai‘i is also experiencing a housing crisis which stems from the high costs of living, and relatively lower wages statewide, coupled with limited availability of affordable housing. In 2014, Hawai‘i Appleseed Center reported that “Hawai‘i has been struggling with affordable housing for years and this challenge shows no signs of abating.”

- The Hawai‘i Housing Planning Study, 2011 forecasted that between 2012-2016 the state would need 16,400 new rental units to meet housing demand; 80% of which needed to be affordable for low-income households. Between 2015-2025 approximately 65,000 new housing units would have been needed to meet population demands (DBEDT, 2015).
- Rental cost increases outpaced wages from 2005 to 2013 (Appleseed, 2014). In 2015, a two bedroom unit at Fair Market Rent is valued at \$1,644. In order to be affordable, this rent requires 2.3 full-time workers making \$14.49/hr (average renter wage) or 4.1 full time jobs making \$7.75/hr (minimum wage) (Out of Reach, 2015).



“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 (Hawai‘i Renters Study-2013)

IMPLICATIONS FOR THE NATIVE HAWAIIAN COMMUNITY

- Relatively low wages and high rental costs created a rental housing crisis, which has affected and will continue to affect all renters through out Hawai‘i, including the Native Hawaiian population.

Native Hawaiian Rental Housing Paradox

In 2013, 1 in every 5 Hawai'i residents were of Native Hawaiian descent. As depicted in Table 1, in comparison to State statistics, Native Hawaiians were:

- Less financially secure, as demonstrated by lower median family and household income, and a per-capita income of \$9,105 less per year than the state's total population;
- And yet, Native Hawaiians had relatively fewer cost-burdened renters than the state's total population (51.2% vs. 55.6%).

These figures are surprising, as one would expect a greater percent of Native Hawaiian renters to be cost-burdened than other renters in the State. However, the reverse is true. To understand this paradox, and to accurately interpret OHA's Rental Affordability Indicator, one must first analyze the distinct demographics characteristics of the Native Hawaiian population.

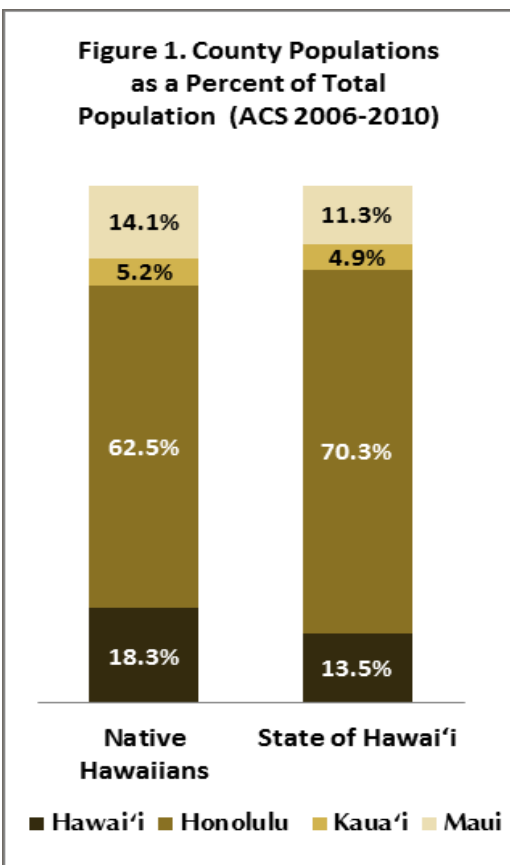


Table 1. Native Hawaiians vs State in 2013

Key Variables	Native Hawaiian	State of Hawai'i	Difference
Population	298,385	1,404,054	
Lower Native Hawaiian Income			
Median Household Income	\$65,688	\$68,020	-\$2,332
Median Family Income	\$72,762	\$80,316	-\$7,554
Per-Capita Income	\$20,472	\$29,577	-\$9,105
Lower Native Hawaiian Housing Costs			
Median Rent	\$1,274	\$1,414	-\$140
% Cost-burdened Renters	51.2%	55.6%	-4.4%
Younger Native Hawaiian Population			
% Children (<18)	34.5%	21.9%	+12.6%
% Seniors (>65)	8.1%	15.7%	-7.6%
Average Age (Years)	27.5	38.1	-10.6
Larger Native Hawaiian Households			
% Family Households	74.4%	69.1%	+5.3%
Mean Household Size	3.51	3.02	+0.49
Mean Family Size	4.04	3.61	+0.43
1.01+ occupants per room	14.5%	8.8%	+5.6%

Source. ACS-2013, 1-year estimate: DP02, DP03 and DP04 reports.

Such demographic considerations include:

- On average Native Hawaiians are younger and have more children, resulting in a median family size of 4.04 vs. 3.61 State median.
- Native Hawaiians reside predominately in family units (74.4%).
- As depicted in Figure 1, 70% of the State population lives in the City and County of Honolulu (Honolulu County). Therefore, most state statistics more closely resemble Honolulu statistics, than rural or non-metro counties which combined represent 30% of the state population.
- Compared to the distribution of the State population, a larger proportion of Native Hawaiians live in Hawai'i County (18.3% vs. 13.5%) and Maui County (14.1% vs. 11.3%). This means that county-level statistics are even more important for Native Hawaiians.

However, Native Hawaiian rental housing statistics by age of household, number of family members and county are not available annually. Thus, as housing markets rapidly adjust to multiple economic conditions, it proves difficult to make timely informed decisions regarding specific trends in Native Hawaiian rental housing needs.

IMPLICATIONS FOR THE NATIVE HAWAIIAN COMMUNITY

- Assessment of rental housing needs of Native Hawaiians requires accounting of larger household sizes, family composition and county differences. Statistics that do not consider these differences (i.e. median family income, gross rents, percent of cost-burdened renters) do not provide a comprehensive comparison.

Native Hawaiian Rental Housing: County Comparisons

When housing related estimates are collected from a five year period (2006-2010), more reliable and comprehensive housing statistic are provided on a county level.

Table 2. Selected Comparisons for Native Hawaiians by County and Statewide vs. Hawai'i State Averages and Difference (ACS 5-year Estimates 2006-2010)

Selected Variables	Native Hawaiians Only					State of Hawai'i	Difference (NH - State)
	Hawai'i	Honolulu	Kaua'i	Maui	Statewide		
Native Hawaiian Population	49,948	170,495	14,125	38,463	273,049	(1,333,591)	
% of Population: Native Hawaiian	27.7%	18.2%	21.6%	25.5%		20.5%	
Median Family Income	\$58,841	\$75,023	\$64,130	\$61,500	\$70,179	\$77,245	-7,066
Per Capita Income	\$17,953	\$20,451	\$17,937	\$18,113	\$19,536	\$28,882	-9,526
Renters	5,525	18,893	1,341	4,163	29,940	179,848	
% with >1.01 Occupants per room	19.3%	18.5%	21.6%	21.2%	19.2%	12.0%	+7.2%
% Studio	8.1%	7.5%	5.3%	7.9%	7.6%	8.2%	-0.6%
% 1 bedroom	11.6%	19.6%	8.1%	11.4%	16.5%	21.6%	-5.1%
% 2 bedrooms	37.5%	35.1%	34.7%	35.9%	35.6%	35.4%	+1.1%
% 3 bedrooms	36.9%	28.9%	41.5%	33.6%	31.6%	25.8%	+5.8%
% 4 bedrooms	4.5%	7.5%	8.3%	9.8%	7.3%	7.0%	+0.3%
% 5 or more bedrooms	1.3%	1.4%	2.1%	1.4%	1.4%	2.0%	-3.4%
% 3 or more bedrooms	42.8%	37.7%	51.9%	44.8%	40.3%	34.8%	+5.5%

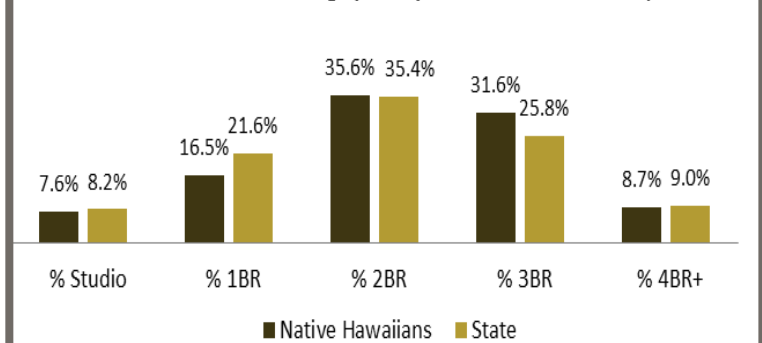
Source. ACS 5-year Estimates 2006-2010: DP02, DP03, DP04 and B25042 Tenure by Bedrooms reports.

From these detailed statistics, the following findings emerge:

FINDINGS

- Population.** Native Hawaiians as a percent of county population was largest in Hawai'i County (28%) and smallest in Honolulu (18%). Given that future state population estimates project growth primarily in rural counties, (DBEDT, 2012) it is likely that Native Hawaiians will contribute to this growth.
- Income.** Native Hawaiians residing in rural counties typically had lower income levels than Native Hawaiians in Honolulu.
- Occupants per Room.** A greater percent of Native Hawaiian renter households (19.2%) live in housing units that have more than one person per room used for living purposes than the total state population (12%), indicating higher rates over-crowding. Within Native Hawaiian communities, a greater percent of renter households in rural counties have more than one person per room than Honolulu (18.5%).
- Unit Size.** As seen in Figure 2, 40% of Native Hawaiian renters lived in rental units of 3 or more bedrooms (BR) vs. 35% of the State population. Conversely, 5 percentage points fewer Native Hawaiians resided in 1 BR units (16.5% vs. 21.6%). A greater percent of Native Hawaiian renters in rural counties live in units of 3 or more BRs, in comparison to Native Hawaiian renters in Honolulu (37.7%).

Figure 2. Comparison of Rental Units for Native Hawaiians vs. Hawai'i State Average (ACS 5 year Estimate, 2006-2010)



IMPLICATIONS FOR THE NATIVE HAWAIIAN COMMUNITY

- County comparisons are warranted. There are important distinctions between Native Hawaiians across counties that cannot be detected when comparing only statewide data. Due to previous and projected population estimates, indicating the future growth of Native Hawaiian populations in rural counties, these county comparisons merit consideration. Specifically, the size and cost of affordable rental units needed for Native Hawaiians differs depending on the county of residence.

Housing Needs of Housing Choice Voucher Participants

The Hawai'i Renter's Study 2013 (Navarrette & Derrickson, 2014) evaluated the housing needs of Native Hawaiians and non-Hawaiians who were either receiving or eligible for Housing Choice Vouchers (HCV or Section 8). Governmental housing assistance, like the HCV, provide:

“Significantly less homelessness, housing instability; Reductions in adults psychological distress, domestic violence, school mobility, food insecurity and economic distress.”

(Grubit et al., Family Options Study, 2015)

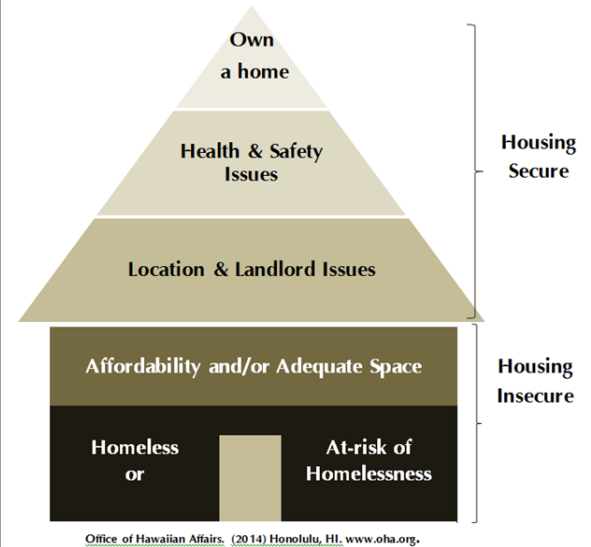
Findings confirmed that Native Hawaiians in need of rental housing assistance had many similarities to non-Hawaiians, but also had important distinctions:

Similarities. Based on qualitative data from low-income renters this study proposed a “Hierarchy of Rental Housing Needs.” This hierarchy places the most fundamental housing needs on the bottom level, to illustrate that more basic needs must be met before one focuses on the next higher level. Renters defined as Housing Insecure do not have permanent housing or must make significant trade-offs between housing cost and adequate unit size. Renters defined as Housing Secure have met their basic housing needs, and, therefore, are able to prioritize issues such as location, health and safety and achieving homeownership. Classification on this scale was remarkably similar between Native Hawaiians and non-Hawaiians.

Differences.

- 72% of HCV eligible Native Hawaiians had a household size of 3 or more vs. only 22% of non-Hawaiians.
- 71% of Native Hawaiians on a HCV waitlist desired homeownership vs. only 48% of non-Hawaiians.
- As depicted in Figure 4, Native Hawaiians generally preferred to live in rural areas and reported a greater need for 3-4 BR units than non-Hawaiians who generally reported higher needs for 1 BR units, near or in major cities.

Figure 3. Proposed Renter's Hierarchy of Housing Needs

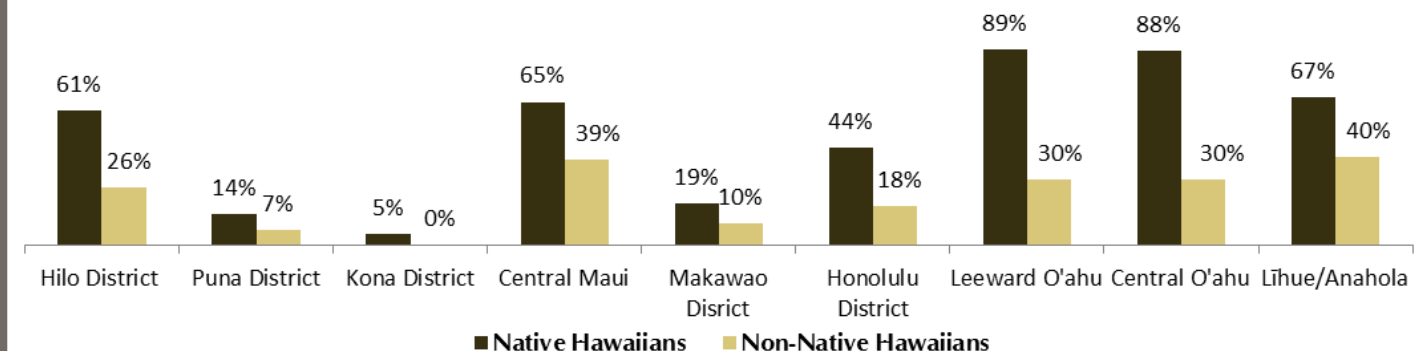


NATIVE HAWAIIAN COPING STRATEGIES

The Hawai'i Renters Study documented three coping strategies utilized by Native Hawaiian families to mitigate high costs of rental housing:

- Living with family longer, for free or for substantially reduced payments (e.g. paying only electric or a few hundred dollars for a room).
- Living in rural areas (e.g. Leeward O'ahu) where rental costs are typically lower rather than metro areas, but commuting times are typically longer.
- Renting units with fewer rooms than needed in order to lower housing costs, resulting in higher rates of overcrowding.

Figure 4. Comparative Need for 3-4 Bedroom Units Across Nine Districts for Native Hawaiian vs. Non-Hawaiian HCV Household (HRS-2013)



Affordability of Fair Market Rents

In order to assess the affordability of rental housing in each county of the State of Hawai'i, several factors are considered, including the median family income, Low-Income limits, and the value of fair market rents. These factors are dependent on family size and county of residence. This section provides an comparison of rental costs deemed affordable to rental costs typically experienced within each county.

AREA MEDIAN INCOMES (AMI)

AMI annual statistical calculations are created from the median (middle) family income value for each county (HUDUSER, 2015). Although these statistics are not specific to Native Hawaiians, they are the most current and accurate assessment of income per county and household size. [Selected FY2015 AMI for Hawai'i](#) are presented in Figure 5. In summary:

- The 2015 AMI for Honolulu is \$86,900, 27% higher than other Hawai'i counties (\$68,200) and 7% higher than the statewide AMI of \$81,500.
- The 2015 AMI for Hawai'i County is \$62,400, only 72% of the Honolulu AMI.

2015 Low-Income Limits. Income thresholds are based on each county's AMI. For housing purposes, Low-Income is defined as 80% of the AMI and Extremely Low-Income (ELI) is defined as 30% of the AMI.

FAIR MARKET RENTS (FMR)

FMRs are the 40th percentile of gross rent estimates, including utilities, for standard-quality rental units occupied by recent movers, calculated by county. They are used to determine the dollar amount of public rental housing subsidies. Again these statistics are not specific to Native Hawaiians, but they are available annually by county and bedroom size. FMRs represent the cost of a typical rental in a specific area.

In order to assess AMIs as they relate to FMRs, an adequate number of bedrooms for the size of the family must be determined. The [Section 8 Guidelines for unit size](#) (Rosen, 2014) outlines these complex standards. Generally, for units larger than a studio, the guideline is two persons per bedroom. However, depending on the number of cohabitating adults and the number of children over age 10 of the opposite sex, a family with four members could need as little as 2BRs or as many as 4BRs to be considered adequately housed.

Figure 5. Selected Hawai'i FY2015 AMI

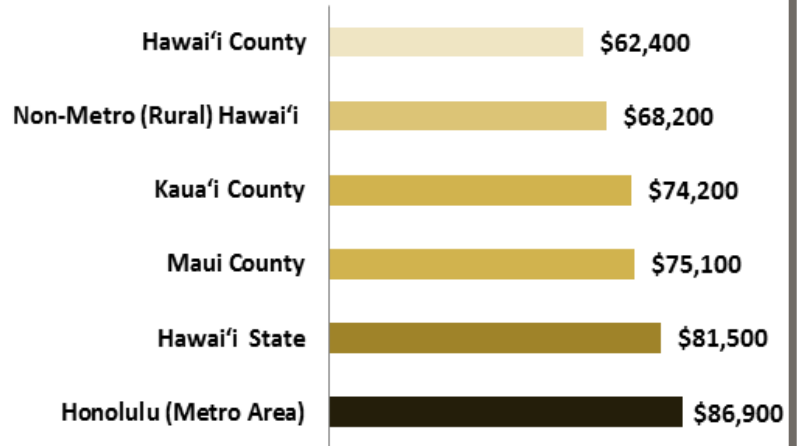


Table 3 compares four statistics to assess the affordability of rental units for Low-Income families, across county and unit size. Table 3A presents the 2015 Monthly Low-Income thresholds (80% Annual AMI / 12 months) per county and family size, while Table 3B lists the corresponding monthly rent considered affordable (30% of monthly income) for a family at the Low-Income level. Table 3C represents the FMRs, assuming a standard of two persons per BR. The difference between the cost considered affordable and the typical cost of a rental is calculated in Table 3D (Affordable Rent — Fair Market Rent = Difference).

Overall the findings from Table 3 indicate that:

- FMR increases with unit size and generally aligns with AMI differences across counties.
- When AMI and FMR are compared by county, it appears that rental costs are most affordable across all unit size in Kaua'i County and least affordable in Honolulu.
- In Hawai'i and Honolulu County there is a gap between what low-income families can afford at 30% of their income and the typical cost of a rental unit at FMR (highlighted negative values in Table 3).

Ideally, these findings would be compared with the number of affordable units available for rent by bedroom size and county. Unfortunately, this information is not available, so the extent of the discrepancy between housing need and supply is uncertain. However, a new study on Hawai'i housing supply and demand is currently underway (DBEDT, HHFDC, 2015).

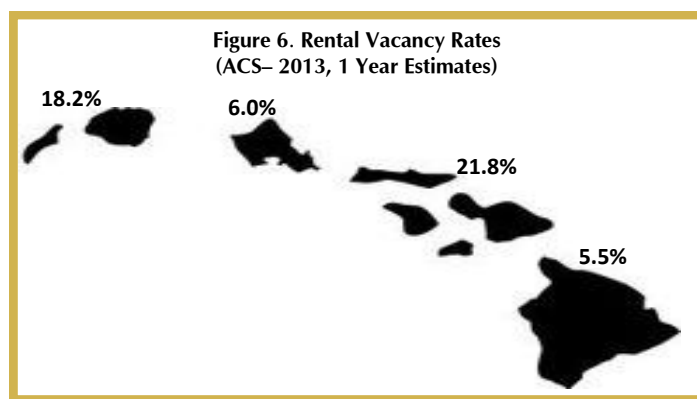
Affordability of Fair Market Rents & Rental Vacancy

Table 3. County Comparisons of Monthly AMIs, Affordable Rent vs. Fair Market Rents –2015

	Area	1 person	2 person	4 person	6 person	8 person
A. Monthly Low-Income Threshold (80% AMI)	State	\$3,783	\$4,321	\$5,404	\$6,267	\$7,133
	Honolulu	\$4,475	\$5,113	\$6,388	\$7,413	\$8,433
	Hawai'i	\$3,183	\$3,638	\$4,542	\$5,275	\$6,004
	Kaua'i	\$4,025	\$4,600	\$5,750	\$6,671	\$7,592
	Maui	\$3,583	\$4,096	\$5,117	\$5,938	\$6,754
	County	1 person	2 person	4 person	6 person	8 person
B. Affordable Low-Income Rent [80% AMI x 30%]	Honolulu	\$1,343	\$1,534	\$1,916	\$2,224	\$2,530
	Hawai'i	\$955	\$1,091	\$1,363	\$1,583	\$1,801
	Kaua'i	\$1,208	\$1,380	\$1,725	\$2,001	\$2,278
	Maui	\$1,075	\$1,229	\$1,535	\$1,780	\$2,026
	County	Studio	1 BR	2BR	3BR	4 BR
C. Fair Market Rent	Honolulu	\$1,260	\$1,374	\$1,810	\$2,667	\$3,061
	Hawai'i	\$749	\$945	\$1,151	\$1,552	\$1,943
	Kaua'i	\$895	\$903	\$1,222	\$1,663	\$1,969
	Maui	\$870	\$979	\$1,264	\$1,742	\$1,748
	County	1P-Studio	2P-1BR	4P-2BR	6P-3BR	8P-4BR
D. Difference between Affordable Low-Income Rent (B) and FMR (C)	Honolulu	\$83	\$160	\$106	-\$443	-\$531
	Hawai'i	\$206	\$146	\$212	\$31	-\$142
	Kaua'i	\$313	\$477	\$503	\$338	\$309
	Maui	\$205	\$250	\$271	\$38	\$278

RENTAL HOUSING AVAILABILITY

Rental vacancy rates are the proportion of all rentals that are vacant or available for rent. They provide an overall indication of how housing supply meets demand. Lower vacancy rates implies more difficulty in finding a unit. As depicted in Figure 6, rental vacancies rates in 2013 for Honolulu and Hawai'i Counties were 5-6%, while rental vacancy rates in Maui and Kaua'i Counties were three times higher. This implies that rentals housing supply, and thus affordable rentals, is most insufficient in Honolulu and Hawai'i Counties.



IMPLICATIONS FOR THE NATIVE HAWAIIAN COMMUNITY

- Although AMI and FMR data are not specific to Native Hawaiians, these statistics are included in this assessments of Native Hawaiian affordable rentals housing as they provide family income and housing cost specific to household size and county; factors which have a considerable impact on the housing of Native Hawaiian families.
- Native Hawaiians, with larger average family sizes (of 4 family members) and lower per capita income, are at a disadvantage in the competitive rental markets of Honolulu and Hawai'i counties (Figure 6).

Rental Affordability Indicator and Non-Computed Renters

BACKGROUND

OHA's rental affordability indicator measures the percentage of households that are cost-burdened, whose "Gross Rent as a Percent of Household Income" (GRAPHI) either meets or exceeds the 30% threshold. However, data as provided through ACS reports do not compute "units for which no rent is paid and units occupied by households that reported no income or a net loss" (Social Explorer) in the calculation. To assess if non-computed renters impact housing affordability assessment in the State of Hawai'i and Native Hawaiian communities, analyses of various GRAPHI data sources were completed. Key findings are summarized below.

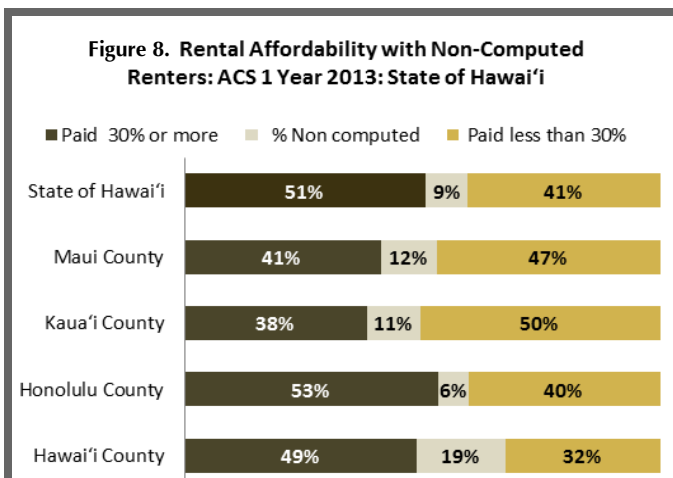
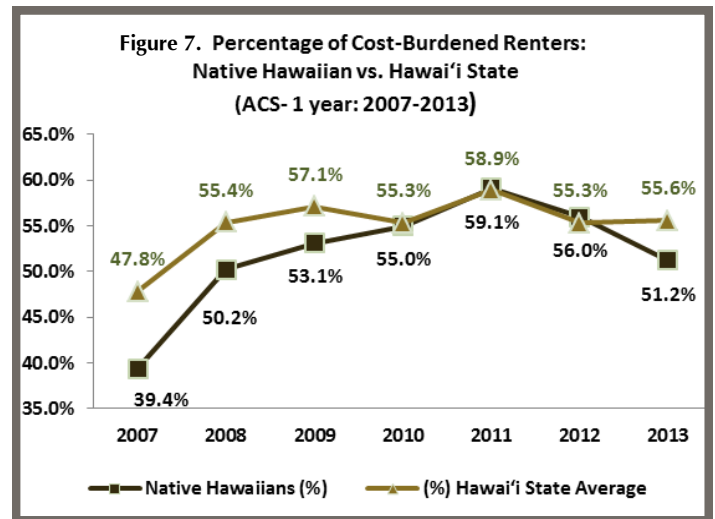
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Selected Variables	Native Hawaiians Only					State of Hawai'i	Difference (NH - State)
	Hawai'i	Honolulu	Kaua'i	Maui	Statewide		
Native Hawaiian Population	49,948	170,495	14,125	38,463	273,049	(1,333,591)	
% of Population: Native Hawaiian	27.7%	18.2%	21.6%	25.5%		20.5%	
Occupied Units Paying Rent	4,814	17,252	1,253	3,523	26,842	162,587	
% Not computed ^a	14.8%	9.5%	7.0%	18.2%	11.5%	10.6%	0.9%
% Paying <30%	53.3%	49.1%	63.0%	45.0%	49.9%	54.6%	-4.7%
% Paying > 30%	46.7%	50.9%	37.0%	55.0%	50.1%	45.4%	+4.7%

Source. ACS 5-year Estimates 2006-2010: DP04. In these reports, although the % non-computed is reported in the DP04 report, it is not included in cost-burdened calculations, just like Table 1. See pages 11-14 for more details.

RENTAL AFFORDABILITY WITHOUT NON-COMPUTED RENTERS

- **Statewide** rates of cost-burdened renters increased during the Great Recession, peaking in 2011, and remained higher than prerecession levels in 2013, confirming "the statewide housing crisis has not abated" (Hawaii Appleseed, 2014).
- **Native Hawaiians** by comparison reported rates of cost-burdened renters that were 5-8 percentage points lower than State rates though 2009, and again in 2013 were four percentage points lower than State rates.



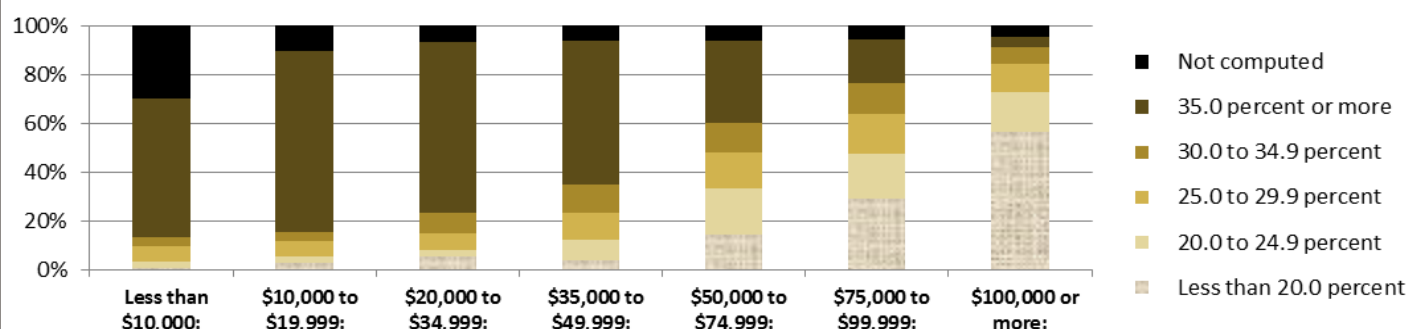
RENTAL AFFORDABILITY WITH NON-COMPUTED RENTERS

State and County Comparisons

- 51% of Hawai'i renters were cost-burdened, 41% had affordable housing, and 9% were non-computed renters. Rates of cost-burdened renters were 5 percentage points lower when non-computed renters were excluded.
- Rates of cost-burdened renters in Honolulu and Hawai'i Counties were highest where rental vacancies were lowest.
- 19% of Hawai'i County renters, nearly 1 in 5, were classified as non-computed renters.

Rental Affordability Indicator and Non-Computed Renters

Figure 9. GRAPI for the State of Hawai'i by Household Income Categories (ACS-2013)



Gross Rent as a Percent of Household Income	Less than \$10,000	\$10,000 to \$19,999	\$20,000 to \$34,999	\$35,000 to \$49,999	\$50,000 to \$74,999	\$75,000 to \$99,999	\$100,000 or more	Linear Equation, R ² and r
<20.0 percent	0.9%	3.0%	5.8%	3.9%	14.5%	29.5%	56.5%	$y = 0.0815x - 0.1632$, $R^2 = .7542$, $r = +.86$
20.0 to 24.9 percent	2.8%	2.6%	2.6%	8.3%	18.8%	18.2%	16.4%	$y = 0.0315x - 0.0264$, $R^2 = 0.7967$, $r = +.89$
25.0 to 29.9 percent	6.1%	6.2%	6.6%	11.0%	14.8%	16.2%	11.5%	$y = 0.0159x + 0.0397$, $R^2 = 0.6722$, $r = +.81$
30.0 to 34.9 percent	3.7%	3.8%	8.3%	12.0%	12.0%	12.8%	6.5%	$y = 0.0108x + 0.0413$, $R^2 = 0.3531$, $r = +.59$
35.0 percent or more	56.5%	73.9%	69.9%	58.3%	33.5%	17.5%	4.5%	$y = -0.1089x + 0.884$, $R^2 = 0.7751$, $r = -.88$
Not computed*	30.0%	10.5%	6.8%	6.5%	12.0%	12.8%	6.5%	$y = -0.0309x + 0.2243$, $R^2 = 0.5498$, $r = -.74$

Source. American Community Survey – 1 year estimate for the State of Hawai'i, B25074. *Not-Computed are "units for which no rent is paid and units occupied by households that reported no income or a net loss" (Social Explorer, 2015).

In 2013, there were 183,426 occupied units in the State of Hawai'i for which rent was paid and 13,695 for which no rent was paid; for a total of 97,121 occupied rental units. Only 169,731 units were used to calculate the median rent of \$1,414, as reported in Table 1. However, 180,074 units were used to calculate the GRAPI, of which 17,047 (8.6%) were not computed; indicating the same total number of occupied units (197,121). This number of non-computed (17,047) is 3,352 more than the number of units for which no rent was paid and therefore must have been occupied by households that reported no income or a net loss in 2013.

Figure 9 indicates that in 2013:

- 30% of Hawai'i renters with incomes less than \$10,000 were non-computed; 60% were cost-burdened; and only 10% had affordable housing (less than 30% of income).
- 70% of Hawai'i renters with incomes from \$10,000 to \$49,999 were cost-burdened.
- Rates of non-computed renters varied across levels of income in a pattern similar to those paying more than 35% of their income on rental expenses. Only these two categories of housing expenses had negative correlation coefficients when income categories were plotted against categories of rental housing costs. All other levels of rental expenses had a positive correlation coefficient generally indicating greater affordability with higher household income.



Photo by Kai Markell

Rental Affordability Indicator and Non-Computed Renters

Figure 10. Rental Affordability with Non-Computed Renters: ACS 5 year 2006-2010: State Hawai'i

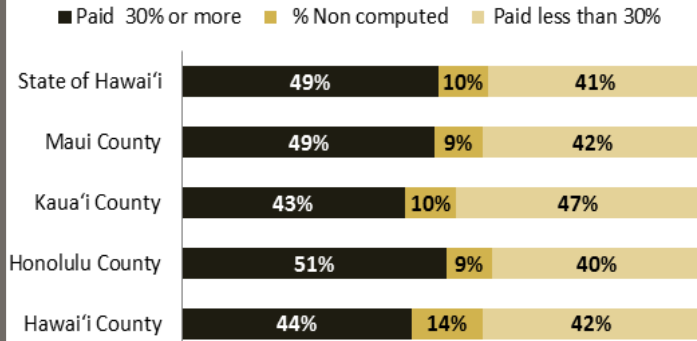
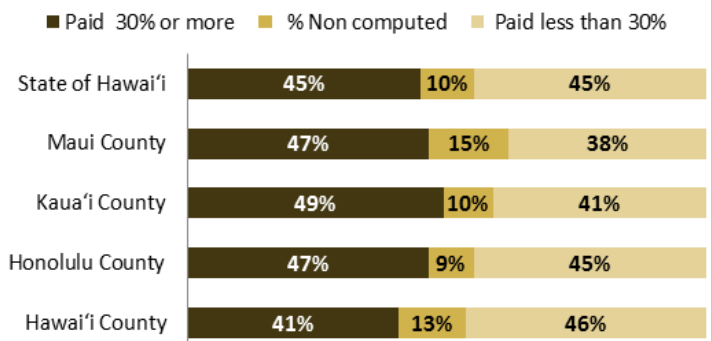


Figure 11. Rental Affordability with Non-Computed Renters: ACS 5 year 2006-2010: Native Hawaiians



Native Hawaiian vs. State Comparison.

The most detailed information about the extent of cost-burdened and non-computed Native Hawaiian renters is the 2006-2010 ACS 5 year dataset (Figure 10-11). During this time period:

- In comparison to all renters, a smaller percentage of Native Hawaiian renters were considered cost-burden in every county, except Kaua'i, where the percent of cost-burdened Native Hawaiian renters was 6 percentage points higher than countywide rates.
- In comparison to all renters, a smaller percentage of Native Hawaiian renters had affordable rentals in Kaua'i (41% vs. 47% countywide); and Maui County (38% vs. 42% countywide).
- Although 10% of all renters and 10% of Native Hawaiian renters were non-computed, rates varied substantially between counties. Notably, rates of non-computed Native Hawaiian renters in Maui county were 15%, 6 percentage points higher than the overall Maui County non-computed rate of 9%.

2006-2010 vs. 2013 Statewide Comparisons.

Five year data from 2006-2010 and one year data from 2013 (Figure 10 vs. Figure 8) are not perfectly equivalent, however, preliminary comparisons suggest:

- A 10 percentage point reduction in Hawai'i County residents who reported rental affordability (from 42% in 2006-2010 to 32% in 2013), which appears attributable to a 5 percentage point increase in cost-burdened renters and a 5 percentage point increase in non-computed renters.
- A 5 percentage point increase in Maui County residents who reported they were not cost-burdened (from 42% in 2006-2010 to 47% in 2013) and 3 percentage point increase among Kaua'i County residents;
- Increases in non-computed renters in all counties except Honolulu, where there was a percentage point drop since 2006-2010.

IMPLICATIONS REGARDING THE RENTAL AFFORDABILITY INDICATOR

- **A smaller percent of Native Hawaiians residing in Maui and Kaua'i had affordable rental housing during the 2006-2010 time period** than renters statewide, even without consideration of larger household sizes of Native Hawaiians. This finding is significant as it indicates that Native Hawaiian statewide statistics do not hold true in every county and that county-level assessments of rental affordability for Native Hawaiians are warranted.
- **Data necessary to accurately assess** rental affordability for Native Hawaiians is not available annually and therefore is frequently outdated within the rapidly changing Hawai'i rental market.
- **There are several limitations of rental housing affordability indicators**, including that they do not consistently report non-computed renters and are not available annually for Native Hawaiians by county.

E MĀLAMA I KĀ KĀKOU ‘OHANA Take care of our families.**SUMMARY AND CONCLUSION**

One in five Hawai‘i residents are Native Hawaiian. Many Native Hawaiians are under the age of 18; children who will contribute to Hawai‘i population growth in the future, particularly in rural areas. Therefore, it is imperative that we understand the distinct demographics and housing needs of these communities. Most Native Hawaiian renters aspire to homeownership and many desire to live with, or close to, their ‘ohana. (Navarette & Derrickson, 2014). Because the rental affordability indicator does not take household composition into account, generally excludes non-computed renters, and is not available annually at the county level, additional measures are warranted to assess the extent of the rental housing cost-burden on Native Hawaiians.

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The authors extend their gratitude to policy makers and researchers who make income and housing statistics available by Native Hawaiian household status. This research would not have been possible without your contributions.

Photo by Kai Markell

DEFINITIONS

All underlined words are hyperlinks to the source of the defined term.

American Community Survey (ACS) is an ongoing survey that provides annual data about the U.S. and its people. Various ACS data sets were analyzed for this report, using ethnic code 062 for Native Hawaiians (alone or in any combination).

Area Median Income (AMI) is an annual statistical calculation created from the median (middle) family income value for each county. The AMI for Metropolitan areas, including the City and County of Honolulu, are calculated differently than for non-Metropolitan areas including Hawai‘i, Maui and Kaua‘i Counties.¹

Affordable Housing is defined by the U.S. Dept. of Housing and Urban Development (HUD) as housing for which the occupants pay no more than 30% of their gross income, including utilities.²

Cost-burdened families are those who pay more than 30% of their income on housing and thus may have difficulty affording necessities such as food, clothing, transportation and medical care.²

Extremely Low-Income (ELI) is now defined as family income which does not exceed the federal poverty level or 30% of AMI. This definition was enacted in 2014 through HUD-implemented statutory changes.³

Fair Market Rent (FMR) is the 40th percentile of gross rent estimates, including utilities, for standard-quality rental units occupied by recent movers by county. HUD uses FMRs to determine the dollar amount of rental housing subsidies.⁴

Gross Rent is the amount of contract rent plus the estimated average monthly cost of utilities if these are paid for by the renter or paid for the renter by someone else.⁵

Gross Rent as a Percentage of Income (GRPI) is a computed ratio of monthly gross rent to monthly household income, and is the basis of OHA's Affordable Rental Housing Indicator.⁶

Housing Choice Vouchers (HCV) are the federal government's major program for assisting the homeless, very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market through a rental housing subsidy.⁷

Low-Income is defined as 80% of the AMI and is adjusted for number of people in the household.⁸

Not-Computed GRPI represent units for which no rent was paid and units occupied by households that reported no income or a net loss.⁹

Per Capita Income is the mean income for every man, women, and child of a particular group. It is calculated by dividing the total income of the group by the total population of the group.¹⁰

Rental Vacancy Rates are the proportion of all rentals that are vacant or available for rent.¹¹

U.S. Department of Housing and Urban Development (HUD) oversees federal housing programs including Community Planning and Development, Federal Housing Administration, and Public Housing programs.¹²

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