

# **Affordable Housing the 'Ohana Way**

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The fastest and most efficient way to increase the stock of affordable housing in Honolulu is staring us right in the face and we don't see it. It is 'ohana housing (sometimes referred to as accessory dwelling units or granny suites).

Honolulu officialdom not only does not welcome this opportunity, but puts roadblocks in the way. The most discouraging roadblock is that legally an 'ohana unit can only be for immediate family. That is a ridiculous requirement when 'ohana housing offers the possibility of adding thousands of rental units to our inadequate housing stock and at minimal cost to government.

The second unnecessary legal requirement in Honolulu is that the 'ohana unit must be attached to or entirely contained within the main house. That may or may not be the best configuration depending on the site in question.

Furthermore, two off-street parking spaces are required as well as significantly substantial fees (\$5300 for a water connection and \$6300 for the sewer connection)

There is also a State requirement that structures 50 years or older must pass a review by the Historic Preservation Division (SHPD) of the Department of Land and Natural Resources. In most cases, the existing structure will not be historically significant and a clearance letter could be issued by SHPD on an expedited basis.

If you want to know how uninviting the existing procedure is, just read the instructions for 'ohana unit construction or expansion, which can be found on the Department of Planning and Permitting's web site. (<http://www.honoluluapp.org/Portals/0/pdfs/zoing/zaohana.pdf>)

Honolulu citizens response to the City's unfriendly invitation is to build "rec rooms", which can then, either immediately or subsequently, be

converted into illegal accessory dwelling units as documented in Questor Lau's well-documented 2014 doctoral thesis (<https://www.hightail.com/download/ZUcwYUo0YXI3NUx2WnRVag>). According to Lau, City plan examiners identify suspicious building permits and have the applicant sign an affidavit or file a covenant that the permitted space will not be used as a dwelling unit.

During the period 2005 through 2012, 102 permits were issued for legal 'ohana dwellings as contrasted with 5,680 permits for potentially illegal accessory dwellings, that is, those requiring the signing of an affidavit or filing of a covenant. Most of the 5,680 permits were for structures in the urban core running from Kāhala to Kalihi to Windward O'ahu.

There is no way of knowing exactly how many of the structures that were labeled "suspicious permits" have actually been converted into illegal accessory dwellings, but the likelihood is the number is quite high given the strong demand for affordable rentals. Interestingly, to the extent this has occurred, the illegal accessory dwelling units have helped ease Honolulu's housing shortage,

'Ohana housing makes sense in existing neighborhoods, new subdivisions and new residential high rises, such as condominiums.

So what makes 'ohana housing so desirable?

- The landowner and/or developer, and not the government, pays the cost of building the 'ohana unit.
- If the family only restriction is removed, the vast number of new 'ohana units will be rental units, thus increasing our stock of rental housing,
- Many of the new 'ohana units will fall in the affordable range, without any legal requirement to do so, and thus increase the stock of available affordable rental housing.
- The 'ohana rental unit will provide the homeowner or condominium owner with an additional source of income to pay a mortgage or to use for other purposes.

- The new 'ohana units will contribute significantly to implementing the General Plan goal to direct increased population into the Honolulu urban core and the 'Ewa Plain.
- Since the 'ohana unit is next to the main home, the land owner is in all likelihood going to assure that the tenants are good neighbors and the property is well maintained.
- Household structure is changing. We have many more couples and single persons, young, old and in between, to house today than ever before and relatively small 'ohana units are an attractive means of housing these folks.
- The needed reforms can be instituted quickly and new legal 'ohana units can begin to come on line within a year.

So what are the big objections to the City putting out the welcoming mat for new legal 'ohana units?

- Our aging sewer system will be overloaded.
- Parking will become a neighborhood nightmare.
- Density will increase, thus making the neighborhood less desirable.
- Many new 'ohana units will become vacation rentals.
- The landowner will subdivide the property and sell the 'ohana unit.

Currently steps are being taken to improve our sewer system. We need to reassess how many additional 'ohana units we can build in each target area, taking into account that the increased sewage flow from an 'ohana unit is likely to be less than from a new family unit, based on fewer occupants. Furthermore, there is no need to require a separate water and sewer connection for an 'ohana unit.

Parking will always be a problem as long as we have a car-centric society, but the approach to resolving this dilemma lies not with restricting 'ohana housing but on a much more citywide, macro policy level, including an examination of the high cost of free parking.

We do have to begin to get use to increased density, whether it is in high rises or single-family neighborhoods. Honolulu's de facto population was 988,316 in 2010. It is estimated by the Department of

Business, Economic Development and Tourism that that this number will be 1,093,210 in 2030, an increase of 11%, including an upturn of 25% of those over the age of 65. Where are all these people going to be housed in a city in which housing is already at a premium?

By the way, the Land Use Ordinance provides that if 60% of the owners of the residential parcels in a census tract sign a petition requesting that 'ohana housing not be allowed in that tract, then no new 'ohana units will be permitted. No petition has ever been submitted. This proviso should be eliminated. If kept, a time limit should be placed on the prohibition if one should actually be put in place

It is critical to establish a minimum time period for rentals of 'ohana units of somewhere between three and six months so that the new homes do not become vacation rentals.

It is also necessary to specify that any parcel with an 'ohana unit cannot be subdivided.

A new subdivision can include an 'ohana unit. On the mainland a new single-family home may include a "carriage house", most often located over the garage. This unit is built to the same quality standards as the main residence. The owner then rents the carriage house out to a couple or a small family or a single person who could not possibly afford to buy a home but could afford the rent. This involves no government subsidy. The owner, of course, would assure that the tenant were compatible neighbors who would maintain the property while the owner, receives a fairly well assured income stream to help pay the mortgage.

The 'ohana concept is equally applicable to multi-family structures. Each unit would consist of two apartments, the primary apartment and a secondary unit, which will be much smaller but built to the same quality standard as the primary one. The primary and secondary units will adjoin each other, be sold as a package, and be recorded as a single property not subject to subdivision now or in the future.

The owner can then rent out the secondary unit out, which will provide an income stream, or use it as a dwelling for elderly parents or adult children just starting out on their own or perhaps put it to some other use. Having 'ohana units in a condominium would respond to the oft-heard criticism that the new high rises in Kaka'ako are only for the well to do. One added note, only the owners of the dual units would be members of the condominium association.

So what will it take to unleash the 'ohana housing potential in the City and County of Honolulu?

- Leadership by the Mayor, the City Council, the Director of the Department of Planning and Permitting, and the governing board and Executive Director of the Hawai'i Community Development Authority, (HCDA).
- The creation of positive incentives to create 'ohana dwellings in existing residential neighborhoods, new subdivisions, and residential high rises, replacing the current set of impediments to constructing legal 'ohana units.
- The provision of density bonuses to encourage 'ohana units in new subdivisions and high rise residential structures.
- The support of all the organizations that care about increasing the supply of affordable housing in Honolulu such as FACE, the American Planning Association, The Honolulu Board of Realtors, the Hawai'i Bankers Association, the Urban Land Institute, the Building Industry Association of Hawai'i, the American Institute of Architects, AARP, the US Department of Housing and Urban Development, major urban land owners including Kamehameha Schools and Howard Hughes Corporation, and the Land Use Research Foundation representing a range of developers.
- An amnesty program to facilitate illegal 'ohana units becoming legal including requiring relevant deed restrictions.

The potential pieces are in place. Given the political will, Honolulu can make a big dent in the lack of affordable housing, especially rental housing, relatively rapidly by implementing a vigorous, positive 'ohana housing program.

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