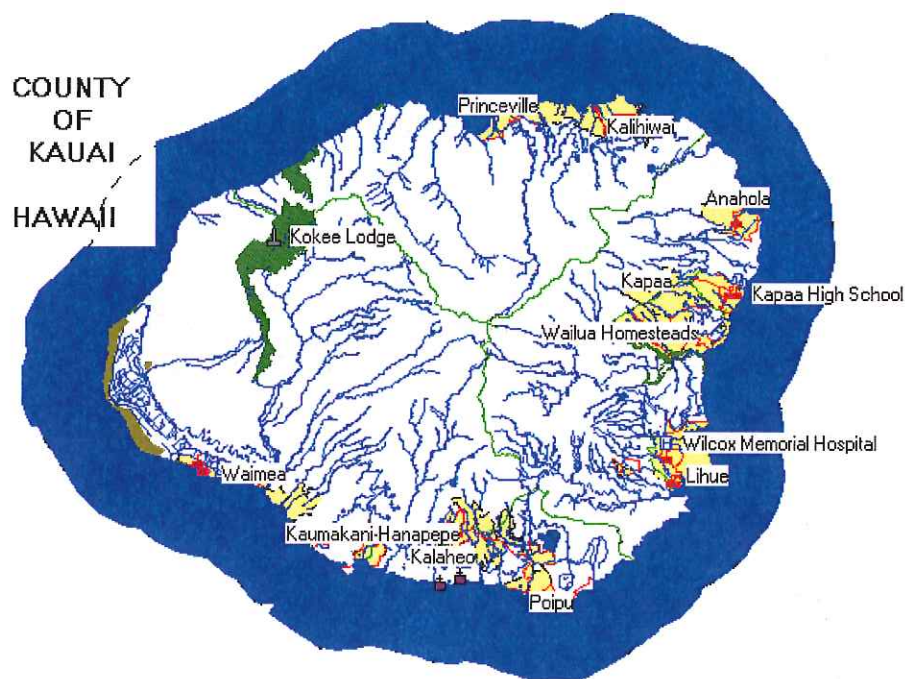


**COUNTY OF KAUAI
CONSOLIDATED ANNUAL PERFORMANCE
AND EVALUATION REPORT**



**Reporting Period
(July 1, 2014 - June 30, 2015)**

**Prepared By:
Kauai County Housing Agency
4444 Rice Street, Suite #330
Lihue, Kauai, Hawaii 96766**

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**CONSOLIDATED ANNUAL PERFORMANCE
AND EVALUATION REPORT (CAPER)**

Report Period:
July 1, 2014 to June 30, 2015

Grant:
Community Development Block Grant

Name and Address of Grantee:
County of Kauai
Kauai County Housing Agency
4444 Rice Street, Suite #330
Lihue, Kauai, Hawaii 96766

The grantee's authorized representative certifies that:

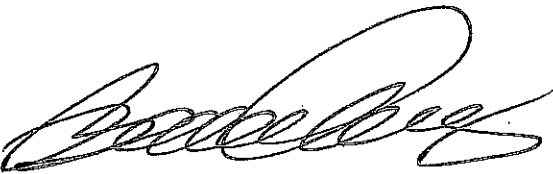
- a. To the best of his/her knowledge and belief the data in this report was true and correct as of the date of the report.
- b. The records described in 24 CFR 570.506 are being maintained and will be made available upon request.
- c. Activities have been carried out in compliance with the certifications submitted with the application, and future activities will be carried out in compliance with the certifications.

Name and Title of Authorized Representative:
(Type/Print)

Bernard P. Carvalho, Jr.
Mayor, County of Kauai

Telephone:

(808) 241-4444



Signature of Authorized Representative:

9/22/15
Date:

COUNTY OF KAUAI
CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT
(Program Year: July 1, 2014 to June 30, 2015)

PART I. EXECUTIVE SUMMARY

The Consolidated Annual Performance and Evaluation Report ("CAPER") is an annual report required by the U.S. Department of Housing and Urban Development ("HUD") after the end of each program year. The CAPER informs citizens of the County's performance in carrying out priorities that are established by the Consolidated Plan.

The County's Consolidated Plan is a 5-year plan covering the period of July 1, 2010 to June 30, 2015. Consolidated Plan priorities establish how the investment of federal grant funds will be used in addressing housing, homelessness, and community development needs for the low- and moderate-income population on Kauai.

The CAPER focuses on activities administered by the Kauai County Housing Agency ("KCHA") during the reporting period of July 1, 2014 to June 30, 2015. The CAPER describes progress made by KCHA in achieving Consolidated Plan priorities. The CAPER further describes the following: 1) commitment of available federal resources; 2) status of funded activities; 3) type and number of low- and moderate-income households served; 4) specific program actions taken; and 5) other HUD related initiatives.

The CAPER also furnishes citizens with an overview of the accomplishments achieved relative to the performance measures described for the 5-Year Consolidated Plan. An overview is presented in Performance Measure Charts provided in Appendix "A".

A. ACTIONS TAKEN TO ADDRESS GOALS IN HOUSING, HOMELESSNESS AND COMMUNITY DEVELOPMENT

1. HOUSING

Lower-income residents (defined as below 80 percent of Kauai median income) are overburdened by high housing costs, expensive utilities, and inadequate supply of affordable housing, especially during periods of robust economic activity. On Kauai, the availability of affordable housing for its low-income population continues to be viewed as a high priority.

According to the Hawaii Housing Planning Study 2011, Hawaii's housing market has America's highest home prices and its highest rents. Units affordable to households

below 80 percent of County median are in very low supply. For low-income households in need of multi-family housing, the housing market is especially difficult for households below 50 percent of median income where the greatest need exists. The Consolidated Plan (2010–2015) sets forth the following housing goals and priorities:

Goal #1

Promote decent and affordable housing by increasing the supply of rental housing for low-, very low-, and low-income households.

Goal #2

Promote decent and affordable housing by increasing the supply of rental housing for low-, very low-, and low-income elderly households.

Goal #3

Promote homeownership opportunities for first-time low-income homebuyers through self-help housing projects and mortgage loan programs.

During the CAPER reporting period, the County carried out the following specific actions:

- Disbursed CDBG funds (\$15,700) to Hawaiian Community Assets to provide Homebuyer Education & one-on-one counseling to 20 low- and moderate-income individuals to prepare for homeownership;
- Disbursed CDBG funds (\$44,295) to Mutual Housing Association of Hawaii, Inc. to rehabilitate the exterior of one building (9 units) in order to extend the life expectancy and replace major building systems for the purpose of preserving an important supply of affordable housing;
- Disbursed CDBG funds (\$186,850) from the County's Home Buyer Loan Program to one low- and moderate-income family;
- Disbursed CDBG funds (\$397,754) from the County's Home Purchase Program as mortgage financing to purchase a home on Papau Place for resale to eligible participants/households on the County's Affordable Housing Waitlist;
- Disbursed CDBG funds (\$141,594) to Kauai Economic Opportunity, Inc. for the rehabilitation of a rental home in Hanamaulu (Lawehana) for transitional housing;

- Approved PY 2015 CDBG funds (\$10,000) to Hawaiian Community Assets to provide HUD certified pre-purchase homebuyer education and counseling to low-and moderate-income households;
- Approved the carry-over of previous years' revolving loan balance (\$72,632.92) to the Residential Rehabilitation Loan Program to assist low-and moderate-income families with low-cost, long-term loans to rehab homes and eliminate issues that threaten health and safety; and
- Approved (*alternate project*) PY 2015 CDBG funds (\$100,000) to County Housing Agency, Home Purchase Program, to purchase an affordable home and resell to a low- and moderate-income household on the County's Homebuyer Affordable Housing Waitlist.

2. HOMELESSNESS

Most homeless live in beach parks, personal automobiles, or with family and friends on a temporary basis. Kauai Economic Opportunity, Inc. (KEO) provides outreach and referral services through their Homeless Outreach Care-A- Van. Homeless facilities and services available on Kauai are limited, due to funding and government changes in priorities. Operated by KEO, Kauai has one Emergency shelter with 19 beds available on a first-come, first-served basis. KEO also manages 18 transitional homes throughout the island. YWCA of Kauai operates a safe house for victims of domestic violence and Steadfast Housing Development Corporation operates homes for individuals with severe mental illness. While some progress has been made to increase homeless facilities on Kauai, gaps remain. More facilities and continuing essential services to support the homeless population to live independent in permanent housing is a priority. The following is a set of homeless goals and priorities:

Goal #1

Strengthen communities by acquiring, rehabbing, or constructing an emergency shelter for single men and women that are homeless.

Goal #2

Strengthen communities by acquiring, rehabbing, or constructing rental units to assist working homeless transitional to permanent housing.

Goal #3

Strengthen communities by providing support services that can assist with outreach and intake, mental healthcare, substance abuse treatment, childcare, job training,

and life skills training.

During the CAPER reporting period, the County took the following specific actions:

- Disbursed CDBG funds (\$29,810) to Love the Journey to provide case management services, employment readiness and training, and job placement for 80 low- and moderate-income individuals;
- Disbursed CDBG funds (\$9,378) to Kauai Economic Opportunity, Inc. to provide job training and employment services to 11 homeless individuals;
- Approved PY 2015 (\$26,000) to Love the Journey to provide a wide range of case management services, planning, education, monitoring, employment readiness and training, including job placement;
- Approved PY 2015 (\$23,812) to U-Turn of Christ to purchase a passenger van to transport participants of the Men's Residential Addiction Recovery Program in order to increase their ability to work and volunteer in the community; and
- Participated in the planning and implementation on the island's annual Homeless Awareness Week activities including a candlelight vigil (November 2014) to increase community awareness on the issue of homelessness.

3. COMMUNITY DEVELOPMENT

The Consolidated Plan identifies community development goals and priorities for housing, public facility improvements, public services, and economic development. The County invests CDBG funds for its highest priority activities. The County considers medium priority activities only when high priority activities are not available or project-ready. CDBG also serves as an effective tool in leveraging other public and private resources (see Table 1). The Consolidated Plan (2010–2015) sets forth the following community development goals and priorities:

Goal #1

Remove architectural barriers from parks and recreational facilities, curbs and sidewalks, and bus stops.

Goal #2

Provide funds for new or expanded social services programs for youth, elderly, handicapped, substance abuse, employment, and transportation.

During the reporting period, the County took the following specific actions:

- Disbursed CDBG funds (\$50,000) to Women In Need to provide case management, counseling, employment readiness, life skills, and relapse prevention classes to 19 low- and moderate-income individuals in their residential homes and to other income eligible residents island wide;
- Disbursed CDBG funds (\$28,272) to Boys and Girls Club of Hawaii to provide cultural enrichment activities, sport and education programs for 65 youths who are residents at Lihue Court Townhomes, a low-and moderate-income rental housing property;
- Disbursed CDBG funds (\$147,000) to YWCA of Kauai to replace the existing roof and install a photovoltaic system on the building that houses the Alternative to Violence and Sex Offender Treatment Program. 77 limited clientele individuals were served by this project;
- Disbursed CDBG funds (\$44,920) to YWCA of Kauai to replace the existing, aged roof of a recently purchased building that is used for counseling, treatment and prevention to 200 individuals;
- Disbursed CDBG funds (\$7,520) to YWCA of Kauai to provide reintegration services and general counseling to 25 individuals who suffer from domestic violence and/or sexual abuse;
- Disbursed CDBG funds (\$17,080) to West Kauai Business and Professional Association to contract services of a park engineering and design firm to plan and facilitate elderly and handicap access to existing historic monuments at Hofgaard Park;
- Continued to assist the Kauai Fire Department who will receive PY 2014 funds (\$116,000) to purchase an emergency response vehicle with pumping unit (pump truck) to provide quick service to remote roads and rough terrain. Once completed, 6,356 individuals from low- and moderate-income areas will benefit from this project;
- Approved CDBG funds (\$30,000) to Women In Need to provide Case Management Self-Sufficiency & Substance Abuse Relapse Prevention and other resources needed to strengthen families, build self-esteem and strong work ethics, and eliminate the threat of homelessness to 30 low- and moderate income individuals;
- Approved CDBG funds (\$26,000) to Kauai Economic Opportunity, Inc. to purchase a delivery van to transport prepared meals to 30 homebound seniors;

- Approved CDBG funds (\$207,803) to West Kauai Business and Professional Association to remove architectural barriers and install ADA accessible curbs, sidewalks and pathways to Hofgaard Park. An estimated 1306 elderly and disabled individuals will benefit and have access to the new and improved park; and
- Approved CDBG funds (\$240,718) to County's Department of Public Works to construct a shared use bicycle and pedestrian path between Hoala Road and Rice Street in order to provide ADA access to residents of Lihue Court Townhomes, Rice Camp Senior Housing and other area residents. An estimated 2,150 low- and moderate-income individuals will be served by this project.

B. SELF-EVALUATION

As part of the CAPER, the County conducts self-evaluation. Self-evaluation assesses progress made in addressing Consolidated Plan priorities. During the past year, the County made satisfactory progress of meeting its Consolidated Plan strategic goals. See CAPER Narratives and Performance Measure Charts (Appendix A).

1. ACTIVITIES POSITIVELY IMPACTING NEEDS

To administer the CDBG program, the County prefers to partner with private nonprofit organizations for their expertise and specialized knowledge to positively impact housing, homelessness, and community development needs. The following information provides additional actions that were taken by the County during the reporting period:

- ▶ Submitted for HUD approval the County's PY 2015 Action Plan to utilize the PY 2015 CDBG allocation on Consolidated Plan priorities for housing, homelessness, and community development;
- ▶ Continued public outreach efforts to keep the public informed about the availability of CDBG Program and funding opportunities via the County's website and local press releases;
- ▶ Committed staff resources to participate in Kauai's Homeless Continuum of Care (COC) Committee, Kauai Community Alliance; Statewide Homeless Continuum of Care Hawaii; Interagency Council on Homelessness;
- ▶ Conducted program outreach by sending out mass mailings to invite prospective applicants to apply for PY 2015 CDBG funds during the

application cycle beginning in the last calendar quarter; and

- ▶ Provided ongoing one-on-one technical assistance to CDBG subrecipients to support their successful performance and timely completion of CDBG funded activities.

2. BARRIERS TO ACCOMPLISHING GOALS

Barriers can negatively impact the implementation of the Consolidated Plan. Barriers often times hamper the performance of CDBG recipients and impact the timeliness of CDBG expenditures.

After evaluating last year's activities, we found that barriers interfering with accomplishing goals were correlated to funding constraints and staffing. Many organizations were faced with decreased funding and staff. CDBG saw a significant amount of requests for funding public service projects, over \$1 million. With a CDBG cap of 15% for public service awards, many worthy projects were not funded and community entities are desperate to keep projects alive.

3. TIMELINESS OF CPD PROGRAMS

The timeliness standard continues to be a challenge for the County in meeting HUD's 1.5 timeliness test. The County is required to meet compliance sixty days prior to the end of the program year with no more than 1.5 times its annual grant remaining in the line of credit. HUD uses a two-tier system to evaluate timeliness. The first tier is based on the grant balance in the Line of Credit Control System (LOCSS). The second tier factors in program income and revolving loan fund balances. On May 2, 2015, a compliance check, or test, revealed that the Housing Agency had a balance in its line-of-credit of 1.10 times its annual CDBG grant and passed the first tier timeliness test. Taking into account the County's balance of \$3,135,964 in revolving loan funds, the ratio increased to 4.35 and did not pass the second tier test.

In order to offset the constant challenges with Congressional budget decreases in funding, the Housing Agency looks for opportunities to invest CDBG funds that have the potential to generate program income that build up the revolving loan fund to establish a level of sustainability. In this regard, the County has re-vamped its Home Buyer Loan Program to actively compete with private institutions and increase first-time homeownership opportunities for low- to moderate-income households. Considering all of the various programs and funds administered by KCHA, a total of 3 loans totaling over \$600,000.00 were issued during the reporting period.

The County's success in administering the CDBG grant within HUD's timeliness standard requires careful decision-making in project selection and greater emphasis on project-readiness. For the foreseeable future, timeliness will be an ongoing administrative priority, especially with HUD's second timeliness test that factors in additional CDBG funds received through CDBG program income.

4. ACTIVITIES FALLING BEHIND SCHEDULE

One activity fell behind schedule in the reporting period for various reasons. Kauai Fire Department faced transporting delays for the Emergency Response Vehicle and Skid Unit.

PART II. CONSOLIDATED ANNUAL PERFORMANCE & EVALUATION REPORT (July 1, 2014 - June 30, 2015)

A. DESCRIPTION OF RESOURCES MADE AVAILABLE IN PY 2014-2015

Community Development Block Grant (CDBG) Program - CDBG funds are used to assist a wide spectrum of community development activities that benefit low- and moderate-income individuals. CDBG funds assist housing, public facilities, public services and economic development. The County uses an application to solicit proposals from private and public organizations. Proposals must meet a CDBG national objective (low/mod benefit) to be awarded CDBG funds. The County's PY 2015 CDBG allocation is \$705,416.

HOME Investment Partnerships (HOME) Program - HOME funds are used to support local housing activities that provide decent, safe, affordable, and sanitary housing for low-income households. HOME funds assist activities to increase housing inventory for affordable rentals and homeownership. HOME funds are received from the State of Hawaii, Hawaii Housing Finance and Development Corporation (HHFDC). HHFDC now provides HOME funds on a rotational basis to the counties of Hawaii, Kauai, and Maui. Under this rotation, Kauai County is scheduled to receive a PY 2016 allocation of approximately \$2,850,000.

Homebuyer Loan Program – The Homebuyer Loan Program offers low-interest, low-cost primary and gap mortgage financing to first-time homebuyers on the County's Kauai Resident Homebuyer List. During the reporting period the program received \$684,196 from loan repayments that will be revolved for future mortgage financing to eligible individuals and families.

Residential Rehabilitation Loan Program - The Residential Rehabilitation Loan Program offers low-interest loans ranging from \$2,500 to \$50,000. The program targets low- and moderate-income homeowners that need to complete a rehabilitation project. Low interest rates (1% to 5% for 5 to 20 years) are available and financing terms are based on loan

amounts and household income. Loans are used to make moderate repairs related to health and safety and other necessary improvements due to overcrowded conditions (e.g. re-roofing, exterior painting, solar systems, and accessibility). During the reporting period, the Residential Rehabilitation Loan Program received \$7,703.76 from loan repayments. Additionally, \$64,929 (revolving funds) from program year 2013 was transferred to program year 2014.

Housing and Community Development Revolving Fund - The County generates income from activities previously assisted with federal grants. This income is called “program income”. Program income is generated by: 1) direct loan repayments; 2) the percentage of net income from rental projects granted federal funds or; 3) pro rata share from the sale or liquidation of a project granted federal funds. Most program income is generated from direct loan repayments. Program income is managed in a Housing and Community Development Revolving Fund. The fund’s sub-accounts are identified as CDBG, HOME, Housing Preservation Grant, Disaster HOME, and Disaster CDBG.

B. INVESTMENT OF AVAILABLE RESOURCES

The County funds housing and community development activities that utilize (“leverage”) other public and private resources. Additionally, the County utilizes program income funds to implement some of its CDBG activities. CDBG Table 1 gives an overview of the CDBG resources committed, funds expended, leveraged resources, and other funds that include: 1) reprogramming grant funds from one activity to another; 2) existing or generated revolving funds (RL); or 3) program income (PI). The Neighborhood Stabilization Program 1 table shows: 1) FY year; 2) resources committed-revolved funds generated from leasehold home sales and ground lease fees from previously developed properties by the Housing Agency with grant funds; 3) amount of PI generated from each activity; and 4) amount of PI funds expended in the reporting year.

CDBG Activities Undertaken During Reporting Period	Fiscal Year	Resources Committed	Funds Expended	Leveraged Resources	Other Funds
Waimea Fire Station Emergency Response Vehicle	2014	\$116,000	-0-	\$1,991	-0-
Case Management/Substance Abuse	2014	\$50,000	\$50,000	\$116,922	-0-
Hoomau Hui Cultural Learning Project-Lihue	2014	\$28,272	\$28,272	\$10,000	-0-
Case Management/Relapse Prevention	2014	\$29,810	\$29,810	\$15,500	-0-
Homebuyer Education & Counseling	2014	\$20,000	\$15,700	\$70,767	-0-
Roof Replacement and Photovoltaic System for YWCA Building	2014	\$137,000	\$147,000	-0-	\$10,000
Lihue Court Townhomes- Exterior Renovations	2014	\$94,295	\$44,295	\$711,000	\$50,000
2014 Homebuyer Loan Program - RLF	2014	\$100,000	\$186,850		+\$1,637,394 (RF)
2014 Home Purchase Program - RLF	2014	\$135,958	\$397,754		+\$400,546 (RF)
2014 Residential Rehab Loan Program – RLF	2014				+\$72,078 (RF)
Transitional Housing – Lawehana Site	2013	\$100,000	\$141,594	-0-	\$53,303 (Reprogram)
YWCA Women’s Center Roofing Project	2013	\$98,560	\$44,920	-0-	-0-
Reintegration Counseling Services	2013	\$20,000	\$7,520	-0-	-0-
Waimea Hofgaard Park- Conceptual Master Plan Design Engineering	2013	\$21,000	\$17,080	-0-	-0-
Homeless Barriers Removal Program	2012	\$36,422	\$9,378	-0-	-0-

NEIGHBORHOOD STABILIZATION PROGRAM 1 (NSP1)

NSP1 Activities Undertaken During Reporting Period	Fiscal Year	Resources Committed	PI Funds Generated	Program Income Expended
Homebuyer Loan Program	2014	\$303,486	\$295,069	\$221,917

C. GEOGRAPHICAL DISTRIBUTION

The Consolidated Plan addresses island-wide concerns. The County does not distribute funds according to a set formula. However, efforts are made to distribute CDBG funds island-wide and in designated low/mod communities. Geographic distribution is mainly determined by the CDBG applications received and final project selection. No minority concentrated areas are known to exist on Kauai. See area map (Appendix "B") for the location of CDBG projects and geographic distribution.

D. CIVIL RIGHTS

1. FAIR HOUSING

Provisions to affirmatively further fair housing are principal and long-standing components of HUD's housing and community development programs.

The Department of Justice (DOJ) and the Department of Housing and Urban Development (HUD) are jointly responsible for enforcing the Federal Fair Housing Act, which prohibits discrimination in housing on the basis of race, sex, color, religion, disability, national origin/ancestry. The State of Hawaii's protected classes on housing are: familial status, age, marital status, sexual orientation and gender identity or expression.

Through continued education and promotion of activities, the County of Kauai educates the public on relevant issues on fair housing. During this reporting period, the County's Fair Housing Officer accomplished the following:

- ▶ Participated as a Hearings Officer for Section-8 participants facing termination from the program to assure fair housing laws were not violated;
- ▶ Conducted briefings on fair housing laws to Section 8 Housing Choice Voucher participants entering the program for the first-time;
- ▶ Attended Fair Housing Coordinators meetings on a quarterly basis with state, counties, HUD, Legal Aid Society of Hawaii and other entities receiving federal funding who are required to affirmatively promote fair housing through continued training;
- ▶ Held an annual Fair Housing Training session in April 2015 and invited landlords, tenants, general public, property/resident managers, condominium and homeowners associations, housing authority staff, housing

advocates, maintenance, grounds and custodial teams, real estate brokers, agents, service providers, security and police officers;

- ▶ Continued to monitor local newspapers and periodicals on rental and sales solicitations for compliance to fair housing;
- ▶ Assisted individuals with complaints and filings to Legal Aid Society of Hawaii and Hawaii Civil Rights Commission; and
- ▶ Continue to partner with Legal Aid Society of Hawaii to provide assistance in finding fair housing testers.

2. ASSESSMENT OF OUTREACH TO MINORITY AND WOMEN BUSINESS ENTERPRISES

The County's Outreach Plan requires CDBG subrecipients to conduct outreach to promote participation of Minority Business Enterprises (MBE) and Women-Owned Business Enterprises (WBE). The results of the Outreach Plan are reported to HUD annually. The following Outreach Plan actions are required and have been carried out:

- ▶ Solicitations for procurement are required to outreach to MBE and WBE (such as utilization of the State of Hawaii's Department of Transportation's Disadvantaged Business Enterprise Directory);
- ▶ Legal public notices for procurement of activities funded with CDBG and HOME assistance are required to include a statement encouraging participation from MBE and WBE;
- ▶ State recipients, subrecipients and other entities receiving CDBG and HOME assistance are required to report on the type and number of contracts awarded, and dollar value of contracts awarded to MBE and WBE.

3. ASSESSMENT OF AFFIRMATIVE MARKETING

The County is required to implement affirmative marketing to promote public awareness and outreach to groups least likely to know about the availability of housing. Housing projects with 5 or more units are required to comply with the County's minimum outreach. The County Housing Agency monitors affirmative marketing for both CDBG and HOME assisted housing projects. Affirmative marketing plans were reviewed for Kanikoo and Kolopua rental projects during the reporting period.

4. SECTION 3 SUMMARY REPORTS (Form HUD-60002)

The County is required to submit Section 3 Summary Reports to HUD's Economic Opportunity Development Division annually with the CAPER. Section 3 is HUD's legislative directive for providing a preference to low- and very-low income residents of the local community for new employment, training, and contracting opportunities resulting from HUD-funded projects involving housing construction, demolition, rehabilitation, or other public construction (i.e. roads, sewers, etc.). During this reporting period, a Section 3 Summary Report was required for:

- Roof Repair and Photovoltaic System for YWCA Building, CDBG
Nathan Wood Construction
YWCA of Kauai

PART III. PROGRAM SPECIFIC

A. COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The County is a CDBG Participating Jurisdiction. As a Participating Jurisdiction, CDBG allocations are provided directly to the County by grant agreement with HUD. The County Housing Agency is responsible for CDBG program administration and oversight. Table 2 provides the activities, program year, Consolidated Plan priorities met, priority levels, performance measure objectives, and persons/households served.

CDBG TABLE 2

CDBG Activities Undertaken During Reporting Period	Fiscal Year	Priorities Met	Level	OBJ #	Persons Served
Waimea Fire Station Emergency Response Vehicle	2014	Public Facility	H	PF-2	6356 Area Benefit
Roof Replacement and Photovoltaic System for YWCA Building	2014	Public Facility	H	PF-1	77 Limited Clientele
Case Management/Substance Abuse	2014	Public Service	H	PS-1	19 LMI Individuals
Hoomau Hui Cultural Learning Project-Lihue	2014	Public Service	H	PS-1	65 LMI Youths
Case Management/Relapse Prevention	2014	Public Service	H	PS-1	80 LMI Individuals
Homebuyer Education & Counseling	2014	Housing	H	HO-3	20 LMI Individuals
Lihue Court Townhomes-Exterior Renovations	2014	Housing	H	HO-3	9 Units
2014 Homebuyer Loan Program	2014	Housing	H	HO-1	1 LMI Household
2014 Home Purchase Program	2014	Housing	H	HO-1	2 LMI
2014 Residential Rehab Loan Program – RLF	2014	Housing	H	HO-4	
YWCA Women's Center Roofing Project	2013	Public Facility	H	PF-2	200 Limited Clientele
Waimea Hofgaard Park-Conceptual Master Plan Design Engineering	2013	Public Facility	H	PF-1	6356 Area Benefit
Reintegration Counseling Services	2013	Public Service	H	PS -1	25 Limited Clientele
Homeless Barriers Removal Program	2012	Public Service	H	PS-1	11 Homeless Individuals
Transitional Housing – Lawehana Site	2013	Housing	H	H-2	2 LMI Households

NEIGHBORHOOD STABILIZATION PROGRAM 1 (NSP-1)

CDBG Activity	PY	Priorities Met	Level	OBJ. #	Persons Served
Home Buyer Loan	2014	Housing	H	HO-1	1 LMMI HH

*Objective # Refers to Performance Measure Charts – Appendix A

1. CDBG NARRATIVES

The following narratives summarize CDBG accomplishments made during the reporting program year.

PY 2014

Case Management / Substance Abuse - \$50,000 (Objective PS-1)

To eliminate the threat of chronic homelessness, domestic violence and other violent crimes, Women In Need (WIN) was awarded \$50,000 to provide case management, counseling, employment readiness, life skills and relapse prevention classes to low- and moderate-income residents in their transitional homes and other income eligible residents island-wide. The transitional home provides structured clean and sober housing for at-risk women and children who are homeless or at-risk to become homeless, transitioning out of treatment facilities, incarceration, or fleeing from domestic violence. WIN met all the objectives and goals of the project/agreement, expended 100% of the CDBG funds and served a total of 19 LMI individuals.

Case Management / Relapse Prevention - \$29,810 (Objective PS-1)

To decrease the need for public services that are fragmented and inadequate for the substance abuse population, Love the Journey (LTJ) was awarded \$29,084 to provide case management services, planning, education, employment training, readiness and job placement for residents living in furlough homes, clean and sober homes, and income-qualified participants. 100% of the funds have been expended and LTJ has served a total of 80 LMI individuals.

Hoomau Hui Cultural Learning Project – \$28,272 (Objective PS-1)

To meet the need for out-of-school or after-school enrichment programs, Boys & Girls Club of Hawaii (BGCH) was awarded \$28,272 to provide cultural enrichment activities, sports and education programs for youth who are residents at Lihue Court Townhomes, a low-to-moderate income rental housing property. BGCH has expended 100% of the funds and has served 65 students.

2014 Home Buyer Loan Program – RLF - \$100,000 (Objective HO-1)

Because of the lack of mortgage financing to assist very-low and low-income families to purchase existing homes, the Housing Agency received \$100,000 to finance low-cost mortgage loans to low- to moderate-income, first-time home buyers to purchase homes as a primary residence. One loan was issued during the reporting period to a LMI household.

2014 Home Purchase Program – RF - \$135,958 (Objective HO-1)

Because of the lack of mortgage financing to assist very-low and low-income families to purchase existing homes, the Housing Agency received \$135,958 to purchase affordably priced homes on Kauai and resell to eligible, first-time, LMI families by way of the County's 90-year Ground Lease Program. The Housing Agency sold 2 homes (Apelila in Kapaa, \$182,362 and Piliialoha in Hanapepe, \$223,754) to LMI households. Utilizing grant and revolving funds, the Housing Agency purchased 1 home (Papau in Kapaa, \$397,723) which is being marketed for leasehold sale to an eligible LMI family on the homebuyer waitlist.

Homeownership Education and Counseling Project - \$20,000 (Objective HO-3)

To meet the need for education and counseling to first-time homebuyers, Hawaiian Community Assets received \$20,000 to provide HUD-certified pre-purchase homebuyer education and counseling to low- and moderate-income persons or households. This activity is linked to the County's homebuyer programs where participants who successfully complete homebuyer education will be eligible to be placed on the Kauai Resident Homebuyer List as potential first-time homebuyers of County or privately developed housing units or the County's mortgage finance programs. HCA has expended 80% of the funds and has served 20 individuals.

Waimea Fire Station Emergency Response Vehicle with Skid Pumping Unit - \$116,000 (Objective PF-2)

To meet the need for more adequate fire protection, the Kauai Fire Department will purchase an emergency vehicle with pumping unit (pump truck) to provide quick service to remote roads and rough terrain in the low- to moderate-income areas from Pakala to Polihale, including Kokee. All funds will be expended upon the arrival of the vehicle expected in November 2015.

Roof Replacement and Photovoltaic System for YWCA Building - \$147,000 (Objective PF-2)

To meet the need for improved public service or health facilities, YWCA of Kauai was initially awarded \$137,000 to replace the existing roof and install a photovoltaic system on the building that houses Alternatives to Violence and Sex Offender Treatment programs. YWCA requested and received an additional \$10,000 to address an electrical safety issue that was identified during the course of demolition/construction. 100% of the funds have been expended and 77 individuals under the presumed low- to moderate-income category have been served.

Lihue Court Townhomes – Exterior Renovations - \$144,295 (Objective HO-4)

To preserve affordable rental units for low-income families, Mutual Housing Association of Hawaii was awarded \$144,295 to complete exterior rehabilitation to

three buildings at Lihue Court Townhomes. Nearly 70% of the funds have been expended and completion is slated for October 2015.

2014 Residential Rehab Loan Program – RLF - (Objective HO-4)

To address the lack of funds available for low- to moderate-income families to rehabilitate their homes that threaten health and safety, the Housing Agency will revolve previous years' loan repayments to provide low interest loans.

2013 YWCA Women's Center Roofing Project – \$98,560 (Objective PF-2)

To meet the need for improved community service facilities, YWCA was awarded \$98,650 to replace the existing, aged roof of a recently purchased building that houses counseling, treatment and prevention programs for victims and perpetrators of sexual assault and domestic violence. The project is complete and YWCA has expended 100% of grant funds.

2013 Reintegration Counseling Services - \$20,000 (Objective PS-1)

To provide support and guidance to victims and their families who suffer from domestic violence and/or sexual abuse, YWCA of Kauai used funds to provide reintegration and general counseling services. A total of 75 individuals and families were served (25 in this reporting period). The project is complete and YWCA has expended 100% of funds.

2013 Waimea Hofgaard Park – Conceptual Master Plan Design Engineering - \$21,000 (Objective PF-1)

To decrease the need for accessible facilities in a low-mod area, West Kauai Business and Professional Association was awarded \$21,000 to contract services of a park engineering and design firm to create a plan to facilitate elderly and handicapped access to historic monuments at Hofgaard Park. The project is complete and 85% of funds have been expended.

2013 Transitional Housing – Lawehana Site – \$124,964 (Objective H-2)

To meet the need of individuals and families to access a transitional housing program and prepare for permanent housing, Kauai Economic Opportunity, Inc. (KEO) was awarded \$100,000 to repair and renovate a single-family home for rental housing to a homeless family. KEO requested, and was granted, additional funds in the amount of \$24,964 to meet the minimum bid offer. The project is complete, 100% of funds have been expended and 2 homeless families have been served.

2012 Homeless Barrier Removal Program - \$36,442 (Objective PS-1)

Kauai Economic Opportunity, Inc. (KEO) was awarded \$36,442 to provide job training and employment services to homeless individuals with emphasized assistance to

subgroups within the general homeless populations. KEO has served a total of 45 eligible individuals (11 this reporting period). KEO requested and was granted 2 time extensions totaling 8 months to meet the goals of the project; 66% of the funds were expended.

2. NSP NARRATIVES

Program income generated by NSP activities will be retained by the County and used for the Home Buyer Loan activity. To expand services and provide needed assistance in creating affordable housing opportunities for low-, moderate- and middle-income individuals (LMMI) or families, the Housing agency utilizes program income to finance low-cost, low interest mortgage loans to LMMI families that do not exceed 120% of the HUD area median income.

The County maintains leasehold ownership (to perpetuate affordable housing units on Kauai) of 10 properties purchased or constructed utilizing NSP funds and program income generated.

Home Buyer Loan Program \$303,486 (Objective HO-1)

Utilizing program income generated from leasehold home sales and direct loan repayments, the Housing Agency has financed one primary loan to a LMMI family totaling \$272,816 during the report period. Another loan in the amount of \$192,000 is being processed and slated to close in September 2015.

3. CDBG PROGRAM INCOME

HUD allows the County to retain CDBG program income for redistribution to other CDBG eligible activities. However, for the County's CDBG Program, all loan repayments, lease fees or sales of homes are considered revolving funds and are designated to the specific activity it was originally drawn from.

B. HOME INVESTMENT PARTNERSHIPS PROGRAM

The State of Hawaii, Housing Finance and Development Corporation ("HHFDC") is the designated HOME Participating Jurisdiction (PJ) that receives HOME funding directly from HUD. HHFDC is responsible for the administration of the State's HOME Program. Since 1992, the State of Hawaii has distributed HOME allocations to the counties of Kauai, Maui and Hawaii. As the PJ, HHFDC reports on the HOME Program in the State of Hawaii CAPER. HOME reporting in the County's CAPER is provided for informational purposes.

1. RESULTS OF ON-SITE PROGRAM MONITORING

During Program Year 2014, HHFDC conducted on-site monitoring of the County's records pursuant to 24 CFR 92.508 of the HOME regulations and examined records pertaining to the administration of the County's HOME program. On April 23, 2015 HHFDC examined project/program records for Eleele Iluna Phase 2, County Homebuyer Loan Program, Kapaa Transitional Housing Project, Rice Camp Senior Housing, Lihue Court Townhomes Rehabilitation, Kolopua, and program administration. Two concerns were indicated, which have since been resolved to HHFDC's satisfaction.

2. HOME PROGRAM INCOME

HHFDC allows the County, a State Recipient, to retain all program income and recaptured funds received from HOME activities to redistribute for other HOME-eligible activities. Program income funds must be used to pay HOME eligible costs prior to the drawdown of HOME funds from the U.S. Treasury. The County's program income balance is reported to HHFDC on a quarterly basis.

The County retained a program income balance of \$1,689 at the start of the reporting period on July 1, 2014. During the reporting period, the County received \$93,996 in program income. During the reporting period, the County expended \$95,685 for the Paanau Village Phase 2, and a portion for the acquisition of Kamamalu Condominiums. As of June 30, 2015, the program income balance on hand totaled \$0.

3. HOME Investment Partnerships Program:

For PY 2015, the County of Kauai proposed using HOME funds for activities that help to meet the U.S. Department of Housing and Urban Development (HUD) decent housing objective. Pursuant to the Action Plan for PY 2015, the State anticipated the achievement of HOME objectives through the following activities:

- Develop thirty (30) affordable rental units in Lihu'e for low-income seniors.

HOME Program Accomplishments:

During PY 2014, the following HOME Program accomplishments were made towards attaining the decent housing objective:

Objective HR-1

To address the shortage of affordable rental units for low-income families, the

County disbursed \$706,000 to the Lihue Court Townhomes Rehabilitation project. Rehabilitation activities are in progress for the preservation of 73 affordable rental units in the project, 68 of which will be HOME-assisted. The County also disbursed \$975,000 to the Kolopua project. Construction is in progress. When completed, the project will provide 44 affordable rental units, 6 of which will be HOME-assisted.

Objective HR-3

The County disbursed \$377,022 in prior years' HOME funds to the Rice Camp Senior Housing project and completed the project during the program year. The project provides 60 affordable rental units, 8 of which are HOME-assisted.

Objective H-1

In PY 2014, the County completed the Hanamaulu transitional housing project to assist families transitioning out of homelessness. The County disbursed \$45,815 and continued rehabilitation work on its Kapaa Transitional Housing Project. When completed, it will be used as rental housing unit to assist the working homeless.

Objective HO-2

In the County of Kauai, construction is ongoing on Phase 2 of the Eleele Iluna subdivision. The County disbursed \$780,125 per year, and when completed, this project will provide 48 affordable self-help housing units, 24 of which will be HOME-assisted.

Objective HO-3

To address the lack of affordable financing costs to purchase existing homes, the County of Kauai disbursed \$410,000 to fund 5 homebuyer loans during the program year.

HA-1: Provide Effective Program Administration:

The County of Kauai disbursed \$144,570 for HOME administrative costs.

PART IV. OTHER HUD PROGRAM ACTIONS (July 1, 2014 – June 30, 2015)

A. CONTINUUM OF CARE (ADDRESSING THE NEEDS OF HOMELESS)

Kauai's Continuum of Care Committee, Kauai Community Alliance (KCA), is comprised of local and state government officials, social services providers, other professionals, consumers and other community representatives on Kauai. KCA is a coordinating body that develops recommendations for programs and services to fill gaps in the Continuum of Care (CoC) and provides guidance, direction and response to HUD's CoC annual competition for homeless assistance funds. KCA also assists in implementing new or expanded programs

while preserving effective existing programs.

KCA's strategic plan includes the following goals: 1) Strengthen communities by increasing funds that are allocated to our island's homeless issue, to create, sustain and enhance existing and new resources; 2) Strengthen communities by acquiring, rehabbing, or constructing rental units to assist working homeless transitional to permanent housing; 3) Strengthen communities by providing support services that can assist with outreach and intake, mental healthcare, substance abuse treatment, childcare, job training, and life skills training.

B. GRANTEE MONITORING RESULTS

1. **Income Monitoring** – Income monitoring is performed semi-annually or annually. Monitoring consists of checking files to verify that income eligibility is processed correctly. The following list is projects that were reviewed during the project period:

HOME

Project Name	Date	Files	Discrepancies
Kalepa Phase II	1/15/15	8	3
Kalepa Phase III	1/15/15	4	1
Kalepa Phase IV	1/15/15	5	NONE
KEO Lihue Court Transitional	11/20/14	3	3
KEO Manaolana Transitional	11/18/14	3	3
Paanau Village Phase I	8/21/14	13	2
Paanau Village Phase II	4/29/15	10	NONE

CDBG

Project Name	Date	Files
Boys & Girls Club #8997	7/2014-1/2015	16
Boys & Girls Club #9140	2/2015-5/2015	18
HCA #9142	3/2015-6/2015	25
Love the Journey #8821	9/2014-6/2015	42
Women in Need #9139	9/2014-6/2015	23

2. **Labor Standards Monitoring** – All laborers and mechanics employed by contractors or subcontractors engaged in construction work in excess of \$2,000 financed in whole or in part with CDBG funds must be paid "prevailing wages" under the Davis-Bacon Act. Any HOME-assisted contracts or 12 or more housing units trigger the Davis-Bacon Act. Monitoring requires a weekly review of contractor payrolls for wage compliance, and on-site employee wage interviews. The following projects were monitored during the reporting period:

Project Name	Discrepancies
Roof Repair and PV installation for YWCA Building	None
Eleele Iluna Phase 2	None

3. **Environmental Review** – Environmental review is completed for each activity prior to releasing federal funds. This review involves determining the proper level of clearance, gathering appropriate documentation, making determinations, and public input. The following projects were reviewed during the reporting period:

Project Name	Activity Type	Environmental Determination
Administration	2015	Exempt 58.34(a)(3)
Case Management/Relapse Prevention	2015	Exempt 58.34(a)(4)
Case Management Self-Sufficiency & Substance Abuse Relapse Prevention	2015	Exempt 58.34(a)(4)
KEO Home Delivered Meals Program	2015	Exempt 58.34(a)(4)
Vehicles for Public Service	2015	Exempt 58.34(a)(4)
Homeownership Education & Counseling	2015	Exempt 58.34(a)(4)
Hofgaard Park ADA Improvements, Construction	2015	Categorically Excluded and Subject to 58.5, converted to Exempt 58.34(a)(12)
Ho'ala Road to Rice Street Shared Use Path	2015	Categorically Excluded and Subject to 58.5, converted to Exempt 58.34(a)(12)
Home Purchase Program - Alternate	2015	Categorically Excluded not Subject to 58.34, converted to Exempt 58.34(a)(12)

C. OBSTACLES TO SERVE THE UNDERSERVED

A major obstacle in meeting underserved needs in the County is the shortage of homeless facilities and affordable housing inventory available to serve the needs of low-income families. To remove obstacles for the underserved, the County provided \$3.1 million in federal HOME financing to the development of Kolopua, a 44-unit affordable rental project, Kanikoo Senior Living, a 60-unit affordable rental project, and Lihue Court Townhomes to rehab 68 units of rental housing.

1. Meeting the Underserved Needs

The County supported the underserved population through low interest mortgage financing, home-buyer education, one-on-one counseling, and ongoing technical assistance to nonprofits engaged in the delivery of community development, housing and homeless services.

2. Foster and Maintain Affordable Housing

The County offers assistance to low-income homeowners to maintain and preserve affordable housing and improve deteriorating neighborhoods. The County provided CDBG funds through the Home Purchase Program to rehabilitate a home and obtained two homes that were resold to eligible low- to moderate income families on the County's homebuyer waitlist. The County plans to seek a developer for the Koae project in Koloa to increase affordable housing stock. Additionally, the County will continue to assist Mutual Housing Association with rehabilitation of 3 additional buildings at Lihue Court Townhomes to preserve affordable housing stock.

3. Eliminate Barriers to Affordable Housing

As appropriate, the County assists in seeking waivers from onerous codes and standards for affordable housing projects by using the exemption powers made available in Hawaii Revised Statutes, Chapter 201H-36 and 46.15. The County's Housing Task Force meets periodically with private developers to overcome various regulatory barriers that impede development and has implemented a "fast track" permitting system for affordable housing projects. Additionally, the County has adopted administrative rules for 201H application to implement and expedite affordable housing development.

4. Reduce the Number of Poverty Level Families

The State of Hawaii administers programs for social and human services. The Housing Agency administers a Family Self-Sufficiency Program in concert with the Section 8 Housing Choice Voucher Program to assist families with their short-term and long-term needs.

5. Public Housing

The State of Hawaii administers multiple public housing projects located throughout Kauai. Information on State public housing is provided in the State's CAPER prepared by the Hawaii Housing Finance and Development Corporation.

6. Lead-Based Paint

The County lacks funds to instigate a full-scale elimination of this hazard and information on the actual number of units containing lead-based paint hazards is unavailable. Health risks to young children posed by lead-based paint in pre-1978 residential dwellings are an important concern. The Housing Agency provides an informational brochure entitled "Protect Your Family from Lead in Your Home" to the participants of the Home-Buyer Loan and Residential Rehabilitation Loan Program, and to participants of the Section 8 Housing Choice Voucher Program. Additionally, the federal guidelines of 24 CFR 35 are integrated into housing policies and abatement measures are taken when applicable to residential and commercial

structures built prior to 1978.

PART V. CITIZENS' REPORT ON THE CAPER

A public notice was published on September 2, 2015 in The Garden Island Newspaper to inform citizens that the County of Kauai's CAPER was available for review. The comment period ended on September 17, 2015. Any public comments received are attached to this CAPER.

DOCUMENTS MADE AVAILABLE TO THE PUBLIC: During the program year, the County made various documents available to the public at the Kauai County Housing Agency, County's website www.kauai.gov, public libraries, and public workshops:

1. 2014-2015 Action Plan.
2. HUD's Annual Community Assessment Report for Program Year 2013
(received on 1/21/14)
3. 2013-2014 CAPER Report.

APPENDIX A
(Performance Measure Charts)

**CHART 1
HOUSING AND SPECIAL NEEDS HOUSING GOALS – LOGIC MODEL, CONTINUED**

Obj Code	PROBLEM/ NEED	ACTIVITY	OUTPUT YEAR	OUTPUT GOAL	PROPOSED	ACTUAL OUTPUT	COMMUNITY BENEFIT INDICATORS	OUTCOME			OBJECTIVE		
								Accessibility (1)	Affordability (2)	Sustainability (3)	Decent Housing (DH)	Econ. Opportunity (EO)	Suitable Living Environment (SL)
HO-3	Potential buyers need education & counseling to purchase homes, and existing owners need foreclosure prevention.	Provide homebuyer education and one-on-one counseling services.	2010	25	0	38	125 households complete homebuyer education and/or foreclosure prevention counseling.		X		X		
			2011	25	19	17							
			2012	25	25	14							
			2013	25	0	28							
			2014	25	12	20							
HO-4	Low/mod income families lack funds for needed home rehab that threaten health and safety.	Provide low interest CDBG loans to low/mod income households that need rehab to address health and safety, and energy efficiency.	2010	1	1	0	5 Low Mod income households complete home rehabilitation		X		X		
			2011	1	4	0							
			2012	1	12	0							
			2013	1	1	1							
			2014	1	0	0							

**CHART 2
FAIR HOUSING GOALS – LOGIC MODEL**

Obj Code	PROBLEM/ NEED	ACTIVITY	OUTPUT YEAR	OUTPUT GOAL	PROPOSED	ACTUAL OUTPUT	COMMUNITY BENEFIT INDICATORS	OUTCOME			OBJECTIVE		
								Accessibility (1)	Affordability (2)	Sustainability (3)	Decent Housing (DH)	Econ. Opportunity (EO)	Suitable Living Environment (SL)
FH-1	Lack of education and outreach	Provide training session in each year to landlords, tenants and the general public on fair housing laws, both federal and state	2010	1	1	1	Increase attendees' understanding of federal and state fair housing laws by 50% (as determined by attendee evaluations)			X	X		
			2011	1	1	1							
			2012	1	1	1							
			2013	1	1	1							
			2014	1	1	1							
FH-2	Lack of education and outreach	Provide training to non-English or Limited English speaking groups with interpreter available on federal and state fair housing laws. Prepare written information in several dialects	2010	2	0	0	Increase LEP attendees' on federal and state fair housing laws			X	X		
			2011	2	0	2							
			2012	2	0	0							
			2013	2	1	0							
			2014	2	0	0							
FH-3	Lack of education and outreach	Speak at Section 8 briefings and train staff on fair housing	2010	6	6	6	Increase knowledge and awareness on Fair Housing by 50%			X	X		
			2011	6	6	14							
			2012	6	6	8							
			2013	6	6	8							
			2014	6	6	12							

**CHART 2
FAIR HOUSING GOALS – LOGIC MODEL, CONTINUED**

OBJ Code	PROBLEM/ NEED	ACTIVITY	OUTPUT YEAR	OUTPUT GOAL	PROPOSED	ACTUAL OUTPUT	COMMUNITY BENEFIT INDICATORS	OUTCOME			OBJECTIVE		
								Accessibility (1)	Affordability (2)	Sustainability (3)	Decent Housing (DH)	Econ. Opportunity (EO)	Suitable Living Environment (SL)
FH-4	Lack of coordination between State and Counties	Produce a fair housing video to provide a 10-11 minute segment	2010	1	1	1	Increase inquires and complaints by 20%			X	X		
			2011	0	0	0							
			2012	0	0	0							
			2013	0	0	0							
			2014	0	1	0							
FH-5	Lack of coordination between State and Counties	Update AI and identify barriers	2010	1	1	1	Provide 20 copies to various social service agencies & advocacy			X	X		
			2011	0	0	0							
			2012	0	0	0							
			2013	0	0	0							
			2014	0	1	0							
FH-6	Lack of coordination between State and Counties	Attend Fair Housing Meetings with the State and Counties	2010	4	4	7	Increase coordination among State and Counties			X	X		
			2011	4	0	3							
			2012	4	4	3							
			2013	4	3	3							
			2014	4	3	4							

CHART 3

OBJ Code	PROBLEM/ NEED	ACTIVITY	OUTPUT YEAR	OUTPUT GOAL	PROPOSED	ACTUAL OUTPUT	COMMUNITY BENEFIT INDICATORS	OUTCOME			OBJECTIVE		
								Accessibility (1)	Affordability (2)	Sustainability (3)	Decent Housing (DH)	Econ. Opportunity (EO)	Suitable Living Environment (SL)
H-1	Unsheltered homeless (single men & single women) need a place to stay for overnight shelter.	Provide CDBG funds to acquire, rehab, or construct an emergency shelter for single men and women that are homeless.	2010	0	0	0	6 to 8 bed shelter facility available to assist unsheltered single men and women.	X		X			
			2011	0	0	0							
			2012	0	0	0							
			2013	0	0	0							
			2014	1	0	0							
			2010	0	1	1							
H-2	Homeless individuals and families need to access transitional housing to prepare for permanent housing.	Provide CDBG and HOME funds to acquire, rehab, or construct rental units to assist working homeless transition to permanent housing.	2010	0	1	1	8 units of rental housing used for homeless transition into permanent housing.	X		X			
			2011	0	1	0							
			2012	4	0	0							
			2013	0	1	0							
			2014	4	0	2							
			2010	15	0	0							
H-3	Homeless individuals and families need to receive outreach and supportive services.	Provide CDBG funds to support service providers that can assist with outreach and intake, mental health care, substance abuse treatment, childcare, job training, and life skills training.	2010	15	0	0	75 households will receive essential social services, including case management and supportive services.	X					X
			2011	15	675	182							
			2012	15	42	552							
			2013	15	0	34							
			2014	15	0	11							

CHART 4
COMMUNITY DEVELOPMENT GOALS - LOGIC MODEL

Obj Code	PROBLEM/ NEED	ACTIVITY	OUTPUT YEAR	OUTPUT GOAL	PROPOSED	ACTUAL OUTPUT	COMMUNITY BENEFIT INDICATORS	OUTCOME			OBJECTIVE		
								Accessibility (1)	Affordability (2)	Sustainability (3)	Decent Housing (DH)	Econ. Opportunity (EO)	Suitable Living Environment (SL)
PF-1	Lack of accessible facilities	Remove architectural barriers from parks, recreational and other public facilities	2010	1	0	0	Disabled and elderly residents have access to 3 parks and public facilities	X					X
			2011	0	1	1							
			2012	1	1	0							
			2013	0	1	0							
			2014	1	0	0							
PF-2	Lack of adequate park, recreation and other County services	Acquire, construct or upgrade public facilities (not to include ADA improvements)	2010	0	2	1	Persons of L/M income will benefit from new or improved parks, recreation & other community services and facilities						
			2011	0	1	0							
			2012	1	2	2							
			2013	0	1	0							
			2014	0	0	2							
PS-1	People need public services	Provide funds for new or expanded programs for youth, elderly, handicapped, substance abuse, employment, transportation, etc.	2010	50	2844	238	200 people benefit from their participation in a social service program			X			X
			2011	50	733	135							
			2012	50	88	94							
			2013	50	424	243							
			2014	50	180	189							

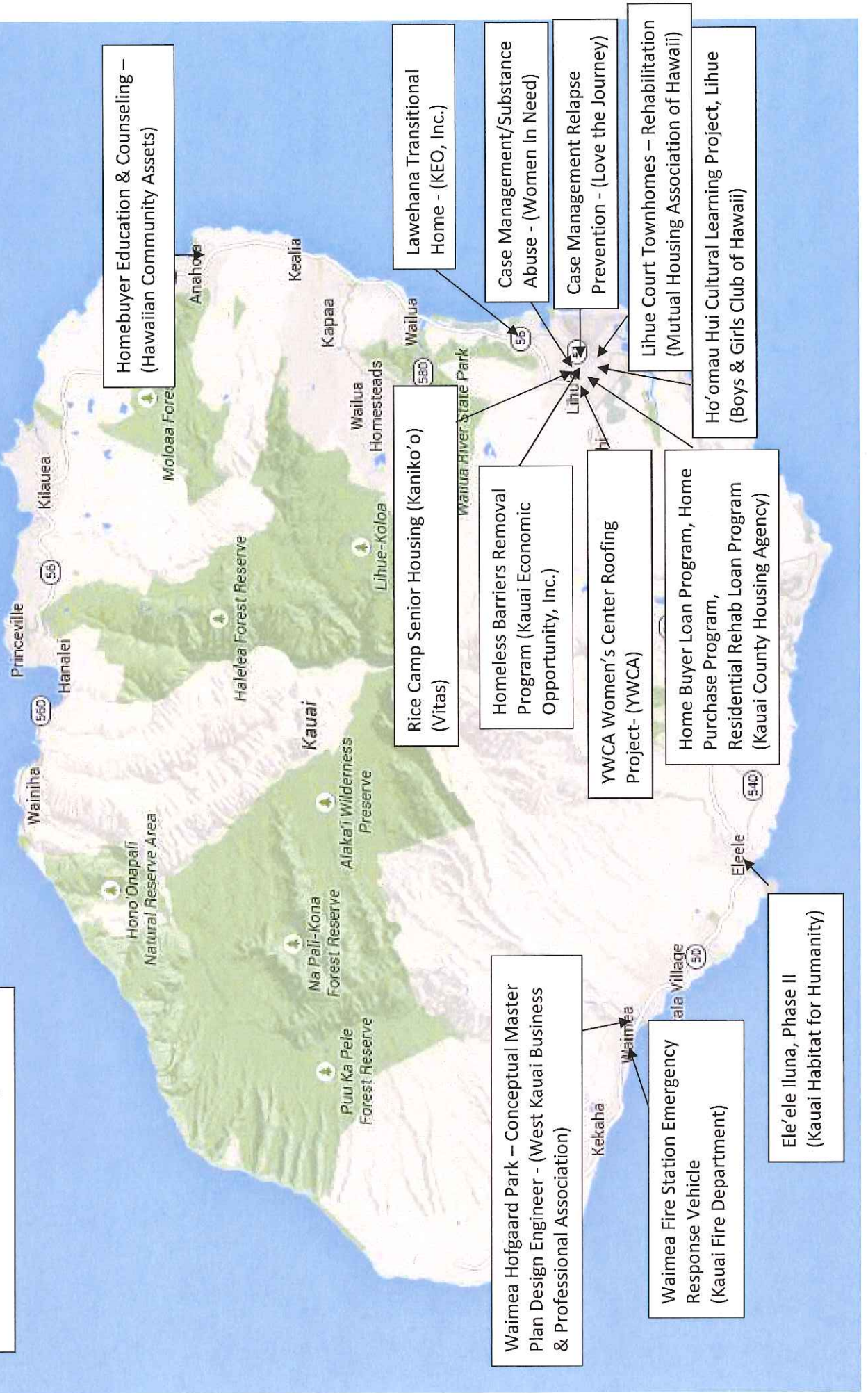
**CHART 4
COMMUNITY DEVELOPMENT GOALS - LOGIC MODEL**

Obj Code	PROBLEM/ NEED	ACTIVITY	OUTPUT YEAR	OUTPUT GOAL	PROPOSED	ACTUAL OUTPUT	COMMUNITY BENEFIT INDICATORS	OUTCOME			OBJECTIVE		
								Accessibility (1)	Affordability (2)	Sustainability (3)	Decent Housing (DH)	Econ. Opportunity (EO)	Suitable Living Environment (SL)
PS-2	People need jobs	Support economic development which create jobs for low and moderate income individuals	2010	5	0	0	25 FTE jobs will be retained or created of which 51% will be filled by low and moderate income individuals			X		X	
			2011	0	0	0							
			2012	10	0	0							
			2013	0	0	0							
			2014	10	0	0							
A-1	Appropriate, efficient, and effective use of funds	Provide effective program administration	2010	1	1	1	Community benefits as described above. Proxy outcome: Performance standard for timeliness is less than 1.5			X			
			2011	1	1	1							
			2012	1	1	1							
			2013	1	1	1							
			2014	1	1	1							
A-2	Lack of/for substandard infrastructure	Provide support for studies to determine adequacy of infrastructure	2010	0	0	0	1 study will be completed with recommendations regarding the adequacy of infrastructure			X			X
			2011	0	0	0							
			2012	0	0	0							
			2013	1	0	0							
			2014	0	0	0							

APPENDIX B

(Project Map)

County of Kauai CDBG/HOME Projects



APPENDIX C
(Legal Public Notice)


AFFIDAVIT OF PUBLICATION

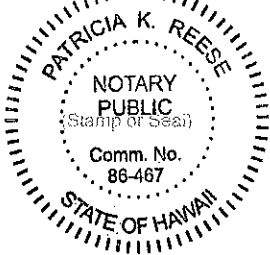
IN THE MATTER OF
Legal Public Notice

STATE OF HAWAII

City and County of Honolulu

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Doc. Date: SEP - 7 2015	# Pages: 1
Notary Name: Patricia K. Reese	First Judicial Circuit
Doc. Description: Affidavit of Publication	
 Notary Signature	SEP - 2 2015 Date



Rose Rosales being duly sworn, deposes and says that she is a clerk, duly authorized to execute this affidavit of Oahu Publications, Inc. publisher of The Honolulu Star-Advertiser, MidWeek, The Garden Island, West Hawaii Today, and Hawaii Tribune-Herald, that said newspapers are newspapers of general circulation in the State of Hawaii, and that the attached notice is true notice as was published in the aforementioned newspapers as follows:

Honolulu Star-Advertiser 0 times on:

MidWeek 0 times on:

The Garden Island 1 times on:

09/02/2015

Hawaii Tribune-Herald 0 times on:

West Hawaii Today 0 times on:

Other Publications: 0 times on:

And that affiant is not a party to or in any way interested in the above entitled matter.

Rose Rosales

Subscribed to and sworn before me this 2ND day of Sept A.D. 20 15

Patricia K. Reese, Notary Public of the First Judicial Circuit, State of Hawaii

My commission expires: Oct 07, 2018

Ad # 0000791322

SP.NO.: L.N.

COUNTY OF KAUAI
LEGAL PUBLIC NOTICE

To All Interested Agencies, Groups & Persons:

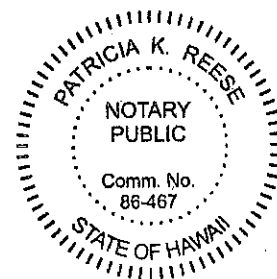
Notice is hereby given that a draft Consolidated Annual Performance and Evaluation Report (CAPER) for program year 2014-2015 is available for public comment. The CAPER is an annual review of progress made in carrying out priorities and activities for the County's 5 year Consolidated Plan (2010-2015). The CAPER provides an assessment of the County's progress in meeting objectives for the Community Development Block Grant Program.

Copies of the draft CAPER are available at the County Housing Agency, 4444 Rice Street, Suite 330, Lihue, Kauai, Hawaii, 96766, Monday thru Friday, between 8:00 a.m. and 4:00 p.m. or on the County's website at www.kauai.gov. To receive a copy by mail, contact Chong at 241-4444. All interested persons who wish to comment on the CAPER may submit written comments to the County Housing Agency at the address shown above, Attn: Kerri Barros, no later than 4:30 p.m. on September 17, 2015. All comments received will be considered prior to submission of the final CAPER to HUD.

County of Kauai
By Order of the Mayor
Bernard P. Carvalho, Jr.



(TG/791322 9/2/15)



APPENDIX D

(HUD's Annual Community Assessment Report for PY 2013)



COUNTY OF KAUAI
HOUSING AGENCY

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U.S. Department of Housing and Urban Development

Honolulu Field Office – Region IX
1132 Bishop Street, Suite 1400
Honolulu, Hawaii 96813
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October 20, 2014

The Honorable Bernard P. Carvalho, Jr.
Mayor of the County of Kauai
4444 Rice Street
Lihue, HI 96766

Dear Mayor Carvalho:

**SUBJECT: Annual Community Assessment Report
Program Year 2013**

This letter is to convey the U.S. Department of Housing and Housing Development's (HUD's) assessment of the County of Kauai's (County's) performance for its 2013 Community Planning and Development (CPD) Program Year. The report reflects the County's efforts to ensure HUD program compliance. As part of HUD's annual review, the Department wants to take this opportunity to address the Community Development Block Grant (CDBG) program timeliness requirements, and the importance it plays in ensuring that the intent of the CDBG program is achieved.

HUD CDBG regulations require recipients to carry out their CDBG activities in a timely manner, thus ensuring low- and moderate-income persons are assisted. The standard requires grantees to be at a 1.5 CDBG timeliness ratio 60 days prior to the end of their program year. On the test date of May 2, 2014, the County had a CDBG timeliness ratio of 1.24 on the first tier test and 3.60 on the second tier test, which included the County's revolving loan program funds. As timely project implementation and expenditure of funds have become a priority with HUD, the Department acknowledges the County's efforts to maintain a timeliness ratio of 1.5 or less for its annual grant allocation, as well as its efforts to operate an active homebuyer loan program, in order to improve its second tier test ratio.

The enclosed Annual Community Assessment Report reflects HUD's assessment on the County's implementation of its CPD programs. The County will have 30 days from the date of this letter to comment on the report. Should the County not wish to comment on the report, or fails to comment within the above time period, please consider the report final and make it available to the public using your standard notification process.

Should you have questions regarding our assessment, please call me at 808-457-4678.

Sincerely,

Mark A. Chandler, Director
Office of Community Planning
and Development

Enclosure

cc:

✓ Mr. Kamuela Cobb-Adams (w/enclosure)
Housing Director
Kauai County Housing Agency
Pi`ikoi Building
4444 Rice Street, Suite 330
Lihue, HI 96766

ANNUAL COMMUNITY ASSESSMENT REPORT

County of Kauai

2013 Program Year: July 1, 2013 to June 30, 2014

HUD Point of Contact:

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Introduction

The Housing and Community Development Act of 1974, as amended, and the National Affordable Housing Act of 1990, require federal grant recipients receiving federal assistance under the Act to submit an annual performance report disclosing the status of grant activities. The Department of Housing and Urban Development (HUD) is required by 24 CFR 91.525 to determine whether the grant recipient is in compliance with the statutes and has the continuing capacity to implement and administer the programs for which assistance is received. In accordance with 24 CFR 91.525, our comments below incorporate our assessment of the County of Kauai's (County's) Program Year 2013 performance.

In assessing the County's performance, HUD relied primarily upon the County's Program Year 2013 Consolidated Annual Performance and Evaluation Report (CAPER), technical assistance, remote monitoring, and communications with the County's federal programs staff. During this period, HUD has determined that the County generally met the intent of the Community Planning and Development (CPD) programs. Based on the County's accomplishments through the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and Neighborhood Stabilization Program (NSP), the County has demonstrated its ability to carry out various housing and community development programs. HUD congratulates the County on its many accomplishments and its achievement of CPD program objectives.

Significant Performance Conclusions

In general, the County effectively administers the CDBG, HOME, and NSP grant funds. In accordance with the CDBG regulations, the timeliness ratio benchmark should be 1.50 sixty

days prior to the end of the County's program year. On the test date of May 2, 2014, the County's timeliness ratio was 1.24 on the first tier test and 3.60 on the second tier test, which included the County's revolving loan program funds. As timely project implementation and expenditure of funds have become a priority with HUD, the Department acknowledges the County's efforts to maintain a timeliness ratio of 1.5 or less for its annual grant allocation, as well as its efforts to operate an active homebuyer loan program, in order to improve its second tier test ratio. As a reminder, HUD has advised all CDBG grantees that failure to meet the timeliness ratio of 1.5 may result in the loss of future grant funds.

The County is a State Recipient of HOME Investment Partnerships Program (HOME) and Neighborhood Stabilization Program (NSP) funds. While the primary source of HOME and NSP information is the State of Hawaii's (State's) Consolidated Annual Performance and Evaluation Report (CAPER), HUD notes that the County's CAPER did include substantial data to inform the citizens about HOME- and NSP-funded projects within the County. HUD congratulates the County on the progress made in addressing its affordable housing needs.

CPD Programs

CDBG

CDBG projects selected by the County for Program Year 2013, when complete, will primarily benefit low- and moderate-income persons. The County used CDBG funds to address community development goals. The County's management of the CDBG program has ensured that low- and moderate-income persons will primarily benefit and receive program assistance. During the Program Year, 100 percent of CDBG funds (excluding funds expended for administration and planning) were spent on activities that benefited low and moderate income persons. During this period, HUD notes that the County completed five (5) CDBG activities. Although 100% of allocated funds were expended on additional activities, the activities were not completed in HUD's Integrated Disbursement & Information System within the program year so these activities are considered completed in Program Year 2014.

The County completed the following CDBG activities during Program Year 2013:

- Women in Need: Case Management Self-Sufficiency Program (2012)
- Women in Need: Substance Abuse Relapse Prevention (2012)
- Love the Journey: Case Management/Relapse Prevention (2012)
- Hawaiian Community Assets: Homeownership Education and Counseling (2012)
- West Kauai Business and Professional Association: Waimea Theatre Complex – Photo Voltaic System Install (2012)

The County's Consolidated Plan describes the following four priority concerns that will

be addressed through the CDBG program: housing and special needs housing, homelessness, community development, and fair housing. During Program Year 2013, the County met or surpassed the following Annual Action Plan goals:

- Used CDBG or HOME funds to assist six (6) low-income households with low cost financing to purchase existing homeless.
- Used CDBG or HOME funds to finance three (3) housing development sites that are suitable for self-help and turn-key housing.
- Provided homebuyer education and one-on-one counseling services to 28 households.
- Provided a low-interest CDBG loan to one (1) low-moderate income household to complete home rehabilitation.
- Provided one (1) fair housing training session to landlords, tenants, and the general public to increase understanding of federal and state fair housing laws.
- Spoke at eight (8) Section 8 briefings or staff trainings on fair housing to increase knowledge and awareness of fair housing.
- Attended three (3) fair housing meetings with State and County representatives.
- Provided funding to service providers to assist 34 homeless households with various services, including but not limited to, outreach and intake, mental healthcare, substance abuse treatment, childcare, job training, life skills training, and case management.
- Provided public services to 243 persons that received assistance from new or expanded programs for youth, elderly, handicapped, substance abuse, employment, and/or transportation.

Overall, the County has been successful in implementing activities in its Consolidated Plan by utilizing CDBG funding. As the County enters the final year of its 2010 – 2015 Consolidated Plan, HUD encourages the County to evaluate the actual goal outputs that it has accomplished, as well as goals that will not be fully achieved, in planning the priorities for its next Consolidated Plan 5-year cycle.

HOME

HUD recognizes that the State has the primary reporting responsibility for the HOME program and will review the State's CAPER as the official report; however, HUD commends the County for including data in its CAPER to inform its citizens about HOME-funded projects. Although the State administers the HOME program, it allows the County to administer the HOME program with discretion in the selection of projects.

During the reporting period, the County committed HOME funds for Rice Camp Senior Housing in Lihue for 60 rental units, Kokopua in Princeville for 44 family rental units, and Lihue Court Townhomes to rehabilitate 68 family rental units. The County also disbursed \$579,164 for on-site infrastructure for the 'Ele'ele Iluna Phase 2 – Increment 'A' project, a 48-unit self-help project for first-time homeowners. In addition, the County funded three primary loans to assist first-time homebuyers with purchasing existing leasehold homes.

HUD understands the challenges of implementing housing construction projects due to high costs and encourages the County to continue its leveraging of other federal, state, and private resources to supplement its HOME allocations to further develop affordable housing projects throughout the County.

NSP

HUD recognizes that the State has the primary reporting responsibility for the NSP and will review the State's CAPER as the official report; however, the County included information in its CAPER to inform its citizens about NSP-funded activities. During the reporting period, the sale of one of three total homes constructed with NSP program income was in the process of being closed. In addition, two primary loans utilizing program income were issued to low- to moderate-income households with an additional loan being processed.

Continuum of Care

During Program Year 2013, Kauai Community Alliance (KCA), County's Continuum of Care (CoC) Committee, continued its efforts to address the needs of the homeless. KCA's membership, which comprises of homeless and affordable housing service providers, community members, government representatives, and consumers, meet regularly to develop recommendations for programs and services to fill gaps in the CoC and to provide input for the submission of HUD's CoC annual competition application for homeless assistance funds, via the State of Hawaii. KCA's strategic plan goals include increasing the availability of affordable housing; increasing accessibility to housing; providing shelter with focus on single men and women; increasing the availability of public transportation for the homeless population; access to mental health treatment for those who do not meet Adult Mental Health criteria; advocate for the establishment of a residential drug treatment facility on Kauai; encourage expansion of childcare availability; and providing assistance to persons transitioning from jail to the community.

During the reporting period, the County allocated CDBG funds to assist low- to moderate-income households, including persons and households experiencing homelessness. These projects included disbursing \$22,500 to Women in Need to provide case management to 27 transitional housing families; \$41,279 to Love the Journey to provide case management, employment training, and job placement to 107 low- and moderate-income individuals; and \$14,638 to Kauai Economic Opportunity, Inc. to provide job training and employment services to 34 homeless individuals. In addition, PY 2014 funds were approved for Love the Journey to continue providing services to low- to moderate-income individuals.

The County and the CoC also participated in annual Homeless Awareness Week activities on Kauai, such as a candlelight vigil, to increase community awareness on the issues of homelessness. HUD wishes the County success in its efforts to address homelessness on Kauai.

Community Empowerment

The County provided opportunities for citizen participation during the development of its 5-Year Consolidated Plan, 2014 Action Plan and 2013 CAPER. Despite the opportunities available for public participation in the reporting process, no public comments were received for the CAPER submission. HUD encourages the County to continue its efforts to foster public participation, to provide opportunities for citizen input and to explore additional opportunities to involve the public in its planning process, especially as the County begins efforts to develop its next 5-year Consolidated Plan.

Management of Funds

In accordance with the CDBG regulations, the timeliness ratio benchmark should be 1.50 sixty days prior to the end of the County's program year. On the test date of May 2, 2014, the County's timeliness ratio was 1.24 on the first tier test and 3.60 on the second tier test, which included the County's revolving loan program funds. As timely project implementation and expenditure of funds have become a priority with HUD, the Department acknowledges the County's efforts to maintain a timeliness ratio of 1.5 or less for its annual grant allocation, as well as its efforts to operate an active homebuyer loan program, in order to improve its second tier test ratio. Please review the recommendations provided below regarding the revolving loan programs. HUD is available to provide assistance to the County in its efforts to continue to achieve its timeliness goals and to ensure that future CDBG funding will not be compromised.

Areas for Improvement and Recommendations

The County needs to continue to monitor its ongoing CDBG and HOME projects to ensure program compliance and timely implementation. Post-development monitoring, if applicable, should also be addressed.

In addition, HUD recommends that the County identify project obstacles and develop plans to address impediments in order to strengthen its programs. Due to competing loan programs, the County's CDBG homebuyer loan program experienced less activity than in prior years. The residential rehabilitation loan program also experienced ongoing lack of activity. It is recommended that the County reassess its marketing plan, program terms, and loan requirements to increase the use of its CDBG loan programs in the coming year. The County must demonstrate active loan programs in order to keep revolving funds open, or else the reprogramming of funds is recommended.

Finally, as the County enters the final year of its 2010 – 2015 Consolidated Plan, HUD encourages the County to evaluate the actual goal outputs that it has accomplished, as well as goals that will not be fully achieved, in planning the priorities for its next Consolidated Plan 5-year cycle. Input from the community, service providers, and government entities will also be critical during the planning process.

Fair Housing & Equal Opportunity

HUD notes that the County is using its Analysis of Impediments (AI), which was last updated in 2010. HUD encourages the County to continue its activities that address the impediments identified in the AI and to continue working on its planned activities, as stated in the County's Fair Housing goals, to provide training to non-English or Limited English-speaking groups on federal and state fair housing laws and to prepare written information in different dialects, in order to increase knowledge and awareness of fair housing laws. Additional actions to consider can include working with the Hawaii Civil Rights Commission to obtain the number and types of violations reported and the successful actions taken against those convicted of violating Fair Housing laws, in order to track outcomes and program effectiveness.

HUD recently issued the Affirmatively Furthering Fair Housing Proposed Rule that outlines the Department's proposed strategy to refine and improve the process currently known as the AI. HUD proposes an improved structure and process whereby HUD would provide grantees with guidance, data, and an assessment template from which they would complete an Assessment of Fair Housing (AFH). This assessment to affirmatively further fair housing will link to Consolidated Plans, Public Housing Authority Plans, and Capital Fund Plans. The County is therefore encouraged to visit http://www.huduser.org/portal/affhlt_pt.html#summary-tab to learn more about HUD's Affirmatively Furthering Fair Housing Proposed Rule and impending AFH requirements.

The CAPER was provided to Mr. Jelani Madaraka, Lead Equal Opportunity Specialist, HUD Honolulu Field Office, for compliance with Fair Housing and Equal Opportunity (FHEO) requirements. He will forward any comments or questions he may have under separate cover.

Conclusion

Overall the County of Kauai is meeting its community needs by planning and executing a Consolidated Plan/Annual Action Plan with a vision for the future, and by implementing this Plan through its Annual Action Plan. As a result, the County has assisted many communities and especially low- to moderate-income persons. HUD encourages the County to continue its support of various housing and community development programs, and especially want to recognize Mr. Kamuela Cobb-Adams and his staff for their dedication to the CPD programs. The program staff is a credit to the County and its CPD programs.