

KAUA‘I COUNTY HOUSING AGENCY

Annual Report For Fiscal Year July 1, 2016- June 30, 2017

I. Mission Statement

To provide greater opportunities for affordable housing and to support community development for the residents of the County of Kaua‘i.

II. Kaua‘i County Housing Agency Goals

1. Expand the Housing Choice Voucher Program,
2. Develop and preserve affordable housing inventory,
3. Grow capacity to support the Strategic Plan, and
4. Support community development.

III. Authorization

The Kaua‘i County Housing Agency (“KCHA”) was formed in May 1976 by Ordinance No. 280, in recognition of the need to provide housing for low-income households and the elderly and to participate in the federal Housing Assistance Payments Program under Section 8 of the Housing and Community Development Act of 1974. On May 25, 2007 by Ordinance No. 850, the Housing Agency became an independent department under the Office of the Mayor and is now headed with a Housing Director.

IV. Duties and Functions

Pursuant to Section 2-1.16 (e) of the Kaua‘i County Code, the Housing Agency shall:

1. The KCHA shall be responsible for coordinating the exercise by the County of the powers provided in Sections 46-15, 15.1 and 15.2, and Chapter 53 of the Hawai‘i Revised Statutes and for administering and supervising the programs and projects implemented as a result of the exercise by the County of such powers.
2. In order to implement and provide the programs, projects or services resulting from the exercise by the County of the powers enumerated in Paragraph (1) of this Subsection, the KCHA may, subject to applicable County, State, and Federal laws, regulations, and guidelines, do any of the following:
 - i. Develop and construct dwelling units, alone or in partnership with developers; dwelling units, alone or in partnership with developers;

- ii. Provide assistance and aid to a public agency or persons in developing and constructing new housing and rehabilitating old housing for the elderly of low income, other persons of low income, persons displaced by any government action, by making long-term mortgage or interim construction loans available;
 - iii. Contract with any eligible bidders to provide for construction of urgently needed housing;
 - iv. Enter into agreements with appropriate officials of any agency or instrumentality of the United States in order to induce such official to make, insure, or guarantee mortgage loans under the provisions of the National Housing Act, as amended, with the approval of the KCHA;
 - v. Make a direct loan to any qualified buyer for the down payment required by a private lender to be made by the borrower as a condition of obtaining a loan from the private lender in the purchase of residential property;
 - vi. Sell or lease completed dwelling units;
 - vii. Assist in the leasing of private and public dwellings;
 - viii. Acquire and utilize public and private lands for the purposes of this Section;
 - ix. Provide interim construction loans to partnerships of which it is a partner and to developers whose projects qualify for federally assisted project mortgage insurance, or other similar programs of federal assistance for persons of low income;
 - x. Apply for and utilize Federal and State rental payment assistance funds;
 - xi. Provide County funds for rental payment assistance for private and public dwellings; and
 - xii. Adopt such rules pursuant to Chapter 91 of the Hawai‘i Revised Statutes as are necessary to carry out the purposes of this Section.
3. When so required by the conditions of a State or Federal grant of funds, the KCHA shall establish a separate account for such funds and no commingling of such funds with other funds shall take place.
 4. All agreements, contracts, documents and other written instruments relating to the operations of the KCHA shall be approved by the Executive on Housing and thereafter signed by the Mayor or the Director of Finance, as provided in the Kaua‘i County Charter. When so required by the Kaua‘i County Charter or Kaua‘i

County Code, 1987, Council approval shall also be obtained.

5. The KCHA shall be responsible for administering, supervising and implementing a Section 8 Program which shall participate in and implement the Federal Housing Assistance Payments Program.
6. The KCHA shall be responsible for administering, supervising and implementing a CDBG Program for the purposes of obtaining, distributing and utilizing CDBG funds.

Pursuant to Section 2-1.16 (d) of the Kaua'i County Code, the Housing Director shall have the following duties and responsibilities:

1. To administer the operations of the KCHA and its programs and projects;
2. To staff the KCHA with necessary personnel to carry out the purposes of the KCHA;
3. To coordinate the operations and programs of the KCHA with the applicable housing plans and programs of the County, State and Federal governments;
4. To prepare all programs and contracts with the State and Federal governments to carry out the purposes of the KCHA, and to transmit them to the appropriate County persons or bodies for approval.

V. Programs

The Housing Agency is comprised of Administration and two divisions, the Housing and Community Development Division and the Housing Choice Voucher Rental Assistance Division.

1. Administration

The KCHA administration directs and oversees all departmental programs and activities; implements federal program budgets, provides accounting services, and manages personnel. It also researches and applies for grants from various federal and state agencies, and private foundations. The agency works closely with other government agencies, for-profit/non-profit organizations, and the public in planning and implementing programs aimed to achieving KCHA's goals.

2. Housing and Community Development Division

The Housing & Community Development Program is the responsibility of the Development Division. Activities in this program include planning and developing affordable housing with government resources, on its own or in partnership with profit or nonprofit housing developers, assessing and monitoring affordable housing requirements with private developers, monitoring restrictions

on affordable projects, providing research and community education regarding fair housing laws, home-buyer counseling, assessing housing needs, compiling and updating the County's Consolidated Plan, loaning funds to first-time home-buyers to purchase housing, coordinating various homeless shelter assistance programs with social welfare providers, and other related state and federal housing programs. Additionally, the Housing & Community Development Program is responsible for administering the HOME Investment Partnerships Program (HOME), the Community Development Block Grant (CDBG) Program, and the Neighborhood Stabilization Program (NSP).

3. Housing Choice Voucher Rental Assistance Division

The Housing Choice Voucher Rental Assistance Division administers the HUD Section 8 Housing Choice Voucher (HCV) Program, where extremely low and very-low income households obtain help to pay their rent. In addition, the Division also administers the Family Self Sufficiency Program, where volunteer HCV clients are counseled to help them become independent from government assistance.

VI. Accomplishments

The Housing Agency's Strategic Plan guides our fiscal year 2017 goals and objectives. The following provides an update of our achievements:

1. Goal 1: Preserve the Housing Choice Voucher Program

1. Objective 1: Expend 100% of the Housing Choice Voucher (HCV) Program's annual budget authority.

The Housing Agency administers \$6 million annually from HUD to support the HCV Program which provides rental assistance payments to low income families. The HCV Program is required to issue vouchers and achieve lease up success to ensure timely spend down of our allocated budget or risk losing the unspent budget the following year. In addition, to increase program participation and lease up success:

- In FY 17, the Section 8 waitlist opened. 2,300 applications were received and 750 applicants were selected by random lottery. Processing of all 750 applicants is anticipated to be completed by August 2017. Of the 750 applicants, it is projected that an additional 180 families will be served.
- Under the Housing Trust Fund Program (HTF), the Tenant-Based Rental Assistance (TBRA) Program commenced in February 2017. This allows us to serve up to 15 homeless households and assist with rental payments and security deposits. In addition, participants will receive case management services provided by our partners to increase

their success rate of remaining housed. The TBRA Program is serving 13 households.

2. Objective 2: The Family Self-Sufficiency (FSS) Program will enable HCV Program participants to increase their earned income and reduce their dependency on public assistance.

During FY 17, FSS served 96 households of which, 48 households increased their annual incomes by an average of \$9,849. Other accomplishments include:

- 16 household participants enrolled in post-secondary classes,
- 6 households transitioned into non-subsidized housing, and
- 10 households graduated from the FSS program with a collective total of \$110,477 in escrow deposit that can be utilized toward home ownership, higher education or other qualified savings goals.

2. Goal 2: Develop and preserve affordable housing inventory

1. Objective 1: Project Kaua'i's housing needs.

The Housing Agency relies on the Hawaii Housing Planning Study to guide our planning and development activities. In collaboration with State HHFDC and fellow County Housing departments, the Hawaii Housing Planning Study, 2016 was completed and published in December 2016.

The study reports that by 2025, Kauai will need an additional 5,287 new housing units of which 2,485 are needed for ownership and 2,802 are needed for rental. It is no surprise that of the 5,287 total units needed, 3,926 (or 74 %) units are needed to supply our low income families who earn less than 80 % of the Area Median Income (AMI).

2. Objective 2: Support the development of 400 new affordable housing units.

To meet the projected housing demand, the Housing Agency is involved with supporting and developing the following projects that are in various stages of development:

- Lima Ola Phase I, 149 units. Land entitlements for Lima Ola has been approved by the State Land Use Commission. Commence site work in FY 18.
- Koa'e, 134 units. Construction to commence in February 2018.
- State Scattered Lots, 12 units. Identify State parcels to develop single-family housing. Complete Executive Order for 10 state lots in FY 18.
- Kaniko'o Phase II, 30 units. Completed in FY 17.

- ‘Ele‘ele ‘Iluna Phase II, Increment A, 48 units: 48 buildable lots were completed in FY 17 and to date 24 homes have been constructed. The remaining 24 homes are projected to be constructed throughout FY 18 and into the early parts of FY19
- ‘Ele‘ele ‘Iluna Phase II, Increment B, 59 units: Site work has commenced and 59 buildable lots are projected to be completed in FY 18.
- Kohea Loa Ho‘oluana, 32 units. Construction has commenced and will continue through FY 18.

The Housing Agency also convenes a monthly Affordable Housing Task Force meeting for expediting affordable housing development, giving developers a clearinghouse discussion of project issues, better communication, and faster problem solving with County permitting agencies.

3. Objective 3: Preserve Kaua‘i’s existing affordable housing inventory.

The Housing Agency utilizes several funding mechanisms to provide rehabilitation financing to existing affordable housing projects. In FY 17, the reroofing of Pa‘anau Village was completed and tree and side walk maintenance commenced at Kalepa Village Phase 1. In FY 18, buildings that comprise Kalepa Phase I will undergo extensive exterior maintenance to include repainting and the replacing of building trimming.

The Housing Agency will pursue establishing a Community Land Trust (CLT) to administer the County’s affordable housing inventory. In FY 17, staff participated in trainings and discussions to identify best practices of a CLT. We project that establishing a CLT will span over several fiscal years as it will involve amending the Housing Policy, Ordinance No. 860. We project to start this in FY 18.

3. Goal 3: Sustain capacity to support the Strategic Plan

1. Objective 1: Secure financing resources to develop new affordable housing units.

During FY 17 the Housing Agency awarded the development rights to Koa‘e. Construction is estimated to cost \$42 million and will utilize HOME and HTF funds being leveraged to secure private financing and Low-Income Housing Tax Credit (LIHTC) financing. Under this financing structure, the Housing Agency is providing the administrative support for the project however, no County funds are being used to finance Koa‘e.

In FY 18, the Housing Agency will see some return of program income

which will be allocated toward funding future development initiatives. It is also a long term strategy to establish a County tax fund that allocates a small percentage of property taxes for developing new affordable housing. In Maui County, approximately \$5 million per year of tax revenue is collected and is leveraged to develop new housing. The Housing Agency aspires to implement something similar soon.

2. Objective 2: Preserve adequate staffing to sufficiently operate the Housing Agency.

With the depletion of the Housing and Community Development Revolving Fund (HCDRF), anticipated Federal budget reductions, and the impending increases due to collective bargaining, the Housing Agency staff continue to be at threat. To combat this, we focus on programs and activities that can generate non-county funds to support our administrative functions. In FY 17, we've utilize less than 1 % of the County's general fund and we will do the same for FY 18.

3. Objective 3: Support the professional growth of Housing Agency staff.

The Housing Agency is investing in staff to provide the professional training and tools to maximize their skills to perform a multitude of job responsibilities. In addition, our managers are directed to provide cross training to staff and conduct bi-annual performance evaluations that support the professional growth of the Housing Agency's greatest asset, our staff.

4. Goal 4: Support community development

1. Objective 1: Leverage federal funds to implement Housing Agency programs and to support community development activities.

During FY 17, the CDBG Program supported nine organizations serving 243 individuals. These organizations provide the community with a multitude of direct services such as case management, substance abuse classes, and cultural education. In FY 17, we assisted in the expansion of KEO, which now operates 24 hours daily and actively participate the Continuum of Care, an organization that serves the homeless population. In addition, over \$410,000 in CDBG funds was allocated in FY 17 for facility improvements, economic development, and to remove architectural barriers from parks and recreational facilities.

2. Objective 2: Increase public awareness of housing opportunities through outreach, partnerships, and advocacy.

The Housing Agency is dedicated to serving the public and engages in various outreach efforts to grow increase public awareness of housing and economic opportunities. During FY 17, the Housing Agency has been busy accomplishing the following:

- Processed two mortgage loans for first-time homebuyers through the Home Buyer Loan Program.
- Acquired two properties to sell as affordable.
- Provided information, outreach, and assistance to approximately 360 participants on the Home-Buyer List.
- HCV Program works closely with the Veterans Administration to house veterans under the VASH Program. There are 34 participants in this program.
- The Housing Agency, in partnership with the Kauai Board of Realtors and the Kauai Community Alliance held a landlord summit to offer information, education and resources that will promote housing programs.
- The HCV Program participates on the Kauai Workforce Development Board to provide employment and training programs that address local, state, and national challenges facing the workforce by collaborating with the Board through the Family Self-Sufficiency Program as a mandated partner under the Workforce Innovation & Opportunity Act.

VII. Personnel

KAUA‘I COUNTY HOUSING AGENCY

As of June 30, 2017

Administration:

Kanani Fu	Housing Director
Keith Perry	Special Asst. to the Housing Director
Shelley Teraoka	Administrative Specialist
Avis Hirahara	Accountant
Tess Abigania	Accountant
Vilma Tesch	Sr. Account Clerk

Housing and Community Development Division:

Steven Franco, Jr	Development Coordinator
Chong Sun U	Agency Administrative Support Asst.
Kerrilyn Barros	CDBG Coordinator
Elisa Lagoc-Chang	Development Specialist
Kylan Dela Cruz	Project Coordinator
Sharon Graham	HOME/HTF Coordinator

Koa Duncan

Project Coordinator

HUD Section 8 Rental Assistance Division:

Bricen Moritsugu

Program Manager

Naomi Cortez

Assistant Program Manager

Shawnelle Palomores

Housing Self-Sufficiency Coordinator

Sandy Adachi

Housing Assistance Specialist

Sandra Kaauwai

Housing Assistance Specialist

Irene Hironaka

Housing Assistance Specialist

Lynn Kashiwai

Housing Assistance Worker

Arnold Kaneshiro

HQS Inspector

Terry Souza

Housing Assistance Clerk

Linda Cataluna

Senior Clerk

Deslynn Jacquias

Housing Self-Sufficiency Specialist