

Kaua'i County Housing Agency

Fiscal Year 2022 Annual Report

July 1, 2021 – June 30, 2022

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Director**

KAUA'I COUNTY HOUSING AGENCY

I. MISSION STATEMENT

To provide greater opportunities for safe, decent, and quality housing and to promote and sustain community development for the people of Kaua'i.

II. DEPARTMENT/DIVISION GOALS

- A. Develop and preserve affordable housing inventory.
- B. Expand the Housing Choice Voucher (HCV) Rental Assistance Program and fully utilize all available federal funding.
- C. Support Community Economic Development.

III. PROGRAM DESCRIPTIONS

The Kaua'i County Housing Agency (KCHA) is comprised of Administration and two primary divisions, the Housing and Community Development Division and the Rental Assistance Division.

ADMINISTRATION

The HCHA 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.

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 for-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 and assistance programs with social welfare providers, implementing the inclusionary zoning provisions of the Country Housing Policy, 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).

HOUSING CHOICE VOUCHER RENTAL ASSISTANCE DIVISION

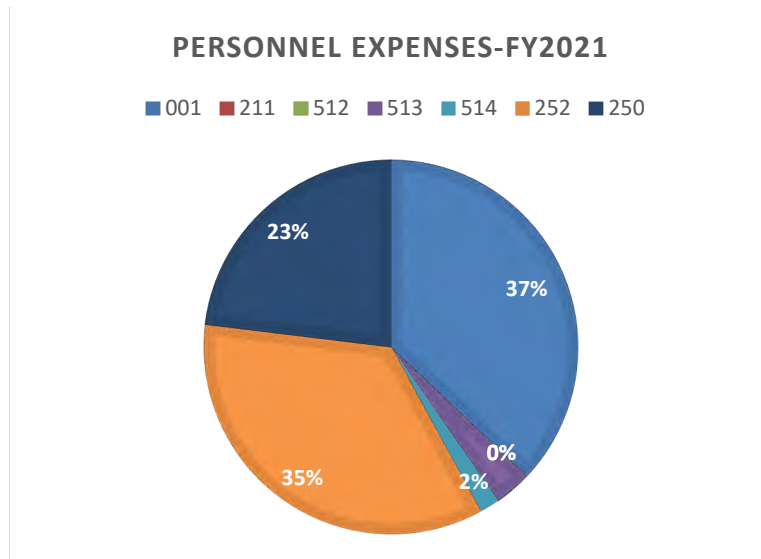
The Rental Assistance Division administers the HUD Section 8 Housing Choice Voucher (HCV) Program, which provides rental assistance to extremely low and very low-income households, and a new Emergency Housing Voucher (EHV) Program, which provides rental assistance and limited supportive services to households transitioning out of homelessness. In addition, the Division also administers the Family Self Sufficiency (FSS) Program, where volunteer HCV clients are counseled to help them become independent from government assistance.

IV. BUDGET

In FY22, the Housing Agency had an overall budget of just over \$70.5 million with expenses and encumbrances of \$35.4 million. Notably, the vast majority of Agency funding comes from non-County sources such as federal grant funding and existing project income.

Account	Budget	Expenses
General Fund - 001	1,480,832.00	1,074,948.00
Housing Community Dev. Revolving Fund - 211	969,809.00	88,255.00
Housing Development Fund - 512	3,721,520.00	615,798.00
Kalepa Village - 513	1,204,887.00	585,422.00
Pa`anau - 514	1,487,182.00	420,462.00
Section 8 - 252	12,407,484.00	12,330,472.00
HOME/CDBG/HTF/FSS/ERA/HAF/CSFRF-250	49,256,073.00	20,364,333.00
Total	70,527,787.00	35,479,690.00

As with overall Agency funding, the majority of funding for the Agency’s personnel expenses also came from non-County sources. With a total of \$2.39 million in personnel expenses, 37% or \$887,177 was paid from the County general fund. The remaining 63% or \$1.5 million in personnel costs were paid through program income and federal grants.



V. ACCOMPLISHMENTS/EVALUATION

The Agency’s FY22 Strategic Plan guides the Agency’s specific annual goals and objectives.

A. Housing Choice Voucher Rental Assistance Division

Goal #1: Expend 100% of the HCV Program’s Annual Federal Assistance Budget.

In FY22 Housing Agency received and successfully administered \$13.4 million in federal funding to provide rental assistance payments to extremely low and very low-income families on Kaua’i. This is an increase of over \$3 million from FY21. At the close of the fiscal year, we were providing rental assistance to 876 families.

Goal #2: Issue 100 new HCV vouchers.

In FY 2022, we pulled 1,155 applicants from our waiting list. Of these applicants, 415 failed to respond, 148 applicants were deemed ineligible, and 297 applicants were issued vouchers. Of the 297 applicants who received a voucher, 39 vouchers expired before use, 157 vouchers carried over to the next fiscal year, and 101 families successfully entered long-term leases. While 101 successful new lease ups met our annual goal, the total number of vouchers in use actually declined very slightly compared to the prior year as new vouchers were off set by households leaving the program primarily due to increasing incomes as people returned to work post-covid.

In addition to the regular HCV assistance program, the Agency continued to administer the relatively new Project Based Voucher program that attaches rental assistance payments to a specific dwelling unit. Unlike the regular HCV program, which requires voucher holders to search on their own for a rental from a limited pool of available units,

the PBV program promises to establish a relatively permanent pool of housing units for income qualified program participants.

At the end of FY22, the PBV program had 54 units under contract at the Koa'e affordable housing project in Kōloa, the Waimea Huakai Project, and the new Pua Loke Street project in Līhu'e.

Goal #3: The Family Self-Sufficiency (FSS) Program will support HCV Program households to increase their earned income and to reduce their dependency on public assistance.

Flexibility and creativity have proven once again to be a successful strategy for the FSS program. This year, the FSS program has again seen increases in earned income, new employment, and successful program completion.

FSS staff continue to collaborate with organizations who provide direct services or resources for participating families to meet their goals to complete their 5-year contract of participation.

During FY22, the FSS program has increased program participation with 11 new families for a total participation of 81 households. Of those 81 families, 30 families began earning wages therefore triggering an escrow savings and 28 of those families increased their earned income.

This year the FSS program has assisted 14 families complete their Individual Training and Service Plan and become Welfare Cash Assistance Free for 1 year. These families successfully completed the FSS program and received a combine total of \$115,462.40 in escrow payments. Two of the 14 families also exceeded the income eligibility requirements and no longer receive Housing Choice Voucher assistance. Three families did not complete the program and chose to forfeit their combined escrow earnings of \$2,947.76

Goal #4: Modernize the HCV Application Process

We adopted two innovative strategies to update our rental assistance program in FY22.

First, we began full scale utilization of "Assistance Connect," a cloud based administrative system that enables HCV applicants and current clients to directly access their online account to submit an initial application for assistance, upload required supporting documents, and once accepted into the program to update their account and complete required annual renewals online. This system promises to streamline the burdensome paperwork requirements associated with the program and dramatically reduce the need for in-person visits to our office.

Second, to further assist clients or prospective clients that lack the technology required to access Assistance Connect, we acquired and installed a self-service electronic kiosk in the Pi'ikoi building that enables the public to quickly and easily access all of the Assistance Connect services.

B. Housing and Community Development Division

Goal #1: Construct 125 New Affordable Housing Units Per Year

Although development projects by their nature span numerous fiscal years, FY21 saw the completion of 54 new affordable housing units, with critical infrastructure completed for another 155 new apartments and single-family homes.

- In partnership with the Ahe Group we completed the 54-Unit Pua Loke Street Rental Project.
- Infrastructure work on Phase I of the Lima Ola affordable housing subdivision was substantially completed in January of 2022. This will support the near-term construction of 155 new affordable housing units.
- By leveraging County funds, we set the groundwork for an additional 200 affordable homes by assisting private partners in securing state and federal funding for separate three projects in the State’s 2022 competitive funding application process.

Goal #2: Preserve Affordable Housing Inventory

We continued to expand our island-wide pool of limited appreciation leasehold properties with two single family home acquisitions and rehabilitations in FY22, bringing our total property inventory to 35 single-family leasehold homes.

Goal #3: Generate \$40 million in economic investment

The following development projects completed in FY22 generated \$46 million in economic activity on Kauai.

Pua Loke Affordable Housing	\$28 million
<u>Lima Ola Phase I Infrastructure</u>	<u>\$18 million</u>
Total	\$46 million

C. Homeless Services

Goal #1: Expand Local Homeless Services.

In FY22 continued successful operation Kealaula on Pua Loke Street. This project is Kaua’i’s first supportive housing project designed specifically to serve the homeless population. The project consists of 30 1-bedroom and studio units, which were fully occupied in January of 2021 by just under seventy former homeless residents. Tenants receive an array of onsite social service designed to suit their particular needs and circumstances ranging from financial counseling, to continuing education, substance abuse treatment, and nutritional education.

Goal #2: Build on the Kealuala Supportive Housing Model

In FY22 we secured \$4.2 million to build a second supportive housing project based on the Kealuala model within the Lima Ola Affordable Housing Subdivision. All necessary pre-development work was completed as part of Lima Ola Phase I infrastructure, and we expect to break ground on an initial 24 units in the last quarter of 2022.

Goal #3: Expand County Assistance for Homeless Families.

In FY22 we began administering a new EHV voucher program to provide rental assistance as well as limited supportive social services to homeless individuals. We have successfully lease up about one third of the 28 available EHV program vouchers.

D. Administration

Goal #1: Increase Public Awareness of the Housing Agency and its Services

During FY22 we have worked with the Public Information Office to produce frequent press releases regarding Agency programs such as Emergency Rental Assistance, Advisories on Eviction and Foreclosure moratoriums, and Homeless Outreach activities and resources.

As we emerge from the restrictions imposed by the Covid-19 emergency we intend to reengage with the community to by participating in more public events, panel discussions, and forums.

We are also working to more regularly update the Housing Agency website to ensure that it provides relevant, up to date, and useful public information.

Goal #2: Support Legislative Policies that Promote the Development of Affordable Housing

On the State level, the Housing Agency actively engaged with our state representative to successfully renew the 'Ohana Zone program to provide some \$2 million for homeless services and projects on Kaua'i through 2026. We also successfully assisted in defeating several bills that sought to limit or eliminate the County's authority to issue tax-exempt private activity bonds to fund affordable housing projects.

On the County level, we drafted a second major round of amendments to the County Housing Policy as well as the Housing Agency's enabling ordinance in Chapter 2 of the County Code. We hope to introduce these proposed amendments in early FY23.

Goal #3: Successfully Administer New Emergency Covid-19 Related Federal Programs

Beyond our regular programs, the Covid-19 emergency has given rise to numerous special federal programs that have fallen under the purview of the Housing Agency.

- We successfully administered some \$30 million in federal Emergency Rental and Utility Assistance.
- We implemented a federally funded landlord tenant mediation program in partnership with KEO; and
- We launched and continue to administer \$3 million with the Homeowners Assistance Program to assist mortgage holders financially impacted by the Covid-19 emergency.