

# **Kaua'i County Housing Agency**

**Fiscal Year 2023 Annual Report**

**July 1, 2022 – June 30, 2023**

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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**

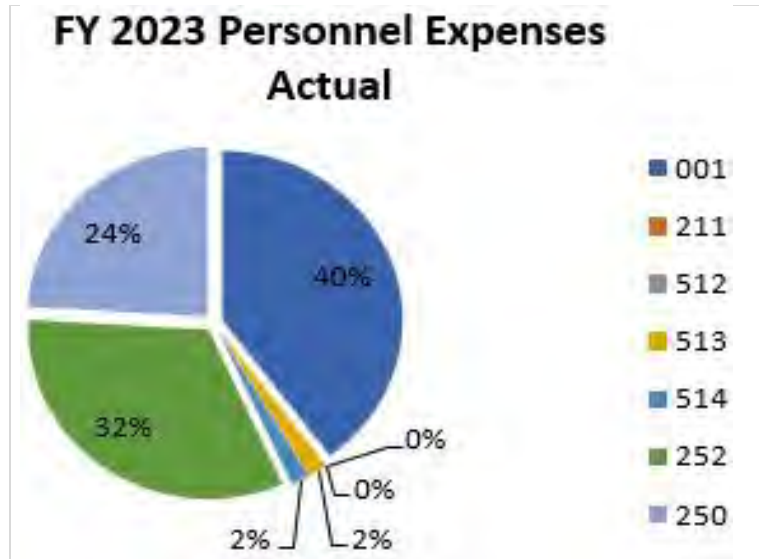
The Rental Assistance Division administers the HUD Section 8 Housing Choice Voucher (HCV) Program, which provides rental assistance to extremely low and very low-income households, and a new Emergency Housing Voucher (EHV) Program, which provides rental assistance and limited supportive services to households 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 FY23, the Housing Agency had an overall budget of just over \$80.5 million with expenses and encumbrances of \$30.5 million. Notably, the vast majority of Agency funding comes from non-County sources such as federal grant funding and existing project income.

<b>Account</b>	<b>Budget</b>	<b>Expenses</b>
General Fund - 001	1,410,591.00	1,131,429.00
Housing Community Dev. Revolving Fund - 211	995,710.00	385,559.00
Housing Development Fund - 512	3,929,286.00	1,932,067.00
Kalepa Village - 513	2,036,076.00	1,088,322.00
Pa`anau - 514	1,602,049.00	586,648.00
Section 8 - 252	13,181,144.00	12,723,091.00
HOME/CDBG/HTF/FSS/ERA/HAF/CSFRF-250	57,407,577.00	12,680,263.00
<b>Total</b>	<b>80,562,433.00</b>	<b>30,527,380.00</b>

As with overall Agency funding, most of the funding for the Agency’s personnel expenses also came from non-County sources. With a total of \$2.55 million in personnel expenses, 40% or \$1,017,778 was paid from the County general fund. The remaining 60% or \$1.5 million in personnel costs were paid through program income and federal grants.



**V. ACCOMPLISHMENTS/EVALUATION**

The Agency’s FY23 Strategic Plan guides the Agency’s specific annual goals and objectives.

**A. Rental Assistance Division**

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

In FY23, 98.8% of the Housing Assistance Payment (HAP) Annual Budget Authorized was expended. On average, Kauai County Housing Agency is actively maintaining 880 leased up families. With the 2020 waitlist in open, active status, the agency is continuously pulling from the waitlist and working on reaching our goal of 100% of HAP expenditures.

In FY24, KCHA is projected to lease up 33 new construction Project Based Voucher units, which are currently under Agreement to Enter a HAP contracts between the Agency and the developers.

Goal #2: Issue 100 new HCV vouchers.

In FY 2023, we pulled 647 applicants from our waiting list. Of these applicants, 228 failed to respond, 76 applicants were deemed ineligible, and 343 applicants were issued vouchers. Of the 343 applicants who received a voucher, 111 vouchers expired before use and 232 families successfully entered long-term leases. While 232 successful new lease ups met our annual goal, the total number of vouchers in use declined very slightly compared to the prior year as new vouchers were offset 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 FY23, the PBV program had 82 units under HAP contract and 33 units under Agreement to Enter into HAP (AHAP) at the Lima Ola Projects and Kai Olino project, which are both located in 'Ele'ele and currently under construction. Additionally, the agency is currently working with 2 developers previously awarded for PBV vouchers. Both projects are in process to complete Subsidy Layering Reviews to construct new project sites that will provide 27 PBV units in the Līhu'e area.

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. 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 FY23, the FSS program paused intake of new, incoming families from June 2022 through November 2022 as HUD implemented their new, Final rules for the program. During this time, active FSS participants were provided continuous services while allowing our newly hired staff to explore the new rules and prepare for new enrollment once the program was in place.

This year the FSS program has assisted 53 families and successfully graduated 9 families who completed their Individual Training and Service Plan and received a combined total of \$25,083.73 in escrow payments.

In FY24, the FSS staff will continue to increase participation and promote the Final Rule changes that provides more benefits and abilities to allow for more successful completion of program for all family members. Staff will also continue to provide off site presentations and look forward to restarting after hour events for both active participating families and potential participant families.

Goal #4: Reach Full Implementation of New Emergency Housing Voucher (EHV) Program

In July of 2021 HUD launched and new EHV voucher program designed to provide rental assistance to homeless households. 28 EHV vouchers and additional federal funding to underwrite those vouchers were awarded to the County of Kauai.

Unlike the HCV program, the EHV program operates as a partnership between homeless case managers at participating non-profit organization and the Housing Agency. We rely on our non-profit partners to connect their clients with the program and assist in shepherding them through the application process.

By the close of FY23 we had successfully leased up 19 of our 28 available EHV vouchers. In FY24 we will continue working to place our remaining 9 EHV vouchers into use.

B. Housing and Community Development Division

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

Development projects by their nature span numerous fiscal years. In FY23, while we completed no new units, we set the groundwork for some 400 new affordable homes in FY24:

- We completed all infrastructure for Phase I of the Lima Ola affordable housing subdivision and broke ground on 117 multi-family rental units in three projects: a 32-Unit Supportive Housing Project for homeless families; a 45-Unit Workforce rental project, and a 40-unit Senior housing project. The 45-Unit project and 40-Unit Senior project were made possible by the County’s first direct issuance of \$25 million in Private Activity Bonds;
- We assisted Habitat for Humanity in beginning and nearing completion on 32 Single-Family homes in the Waimea Huakai subdivision;
- With County assistance, the Ahe Group broke ground on the 42-Unit Kai Olino Workforce Rental Project in Port Allen; and
- We assisted the 66-Unit Rice Street Apartment Project, and the 155-Unit Uahi Ridge Workforce Housing projects in securing state funding and LIHTC.

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 that broke ground in FY23 will generate an estimated \$86 million in economic activity on Kauai.

Lima Ola Supportive Housing	\$5.2 million
Lima Ola Phase I Workforce Project	\$23.7 million
Lima Ola Phase I Senior Project	\$21.1 million
Kai Olino Workforce Project	\$24 million
Waimea Huakai Singel-Family	\$12 million
<b>Total</b>	<b>\$86 million</b>

C. Homeless Services

Goal #1: Expand Local Homeless Services.

In FY23 we 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 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 FY23 we broke ground a second supportive housing project based on the Kealaula model within the Lima Ola Affordable Housing Subdivision. The 32-Unit project is scheduled for completion and occupancy in the first quarter of 2024.

Goal #3: Expand County Assistance for Homeless Families.

In FY23 we began administering a new EHV voucher program to provide rental assistance as well as limited supportive social services to homeless individuals. In FY23 we successfully leased up 19 of the 28 available EHV program vouchers.

D. Administration

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

During FY23 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 emerged from the restrictions imposed by the Covid-19 emergency we reengaged with the community by participating in an array of public events, panel discussions, and forums including Kaua'i Landlord Tenant Conference, Lihu'e Business Association panel on Homelessness, and FDIC Community Development Conference.

We are also working to more regularly update the Housing Agency website to ensure 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 an additional \$15 million for homeless services and projects 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 and closed out our program distributing some \$30 million in federal Emergency Rental and Utility Assistance.
- We launched and continue to administer \$3 million with the Homeowners Assistance Program to assist mortgage holders financially impacted by the Covid-19 emergency.