

KAUA‘I COUNTY HOUSING AGENCY

Annual Report for Fiscal Year Ending June 30, 2011

I. MISSION STATEMENT

To provide greater opportunities for Kaua‘i’s citizens to choose and secure affordable, safe, decent and sanitary housing and to live and work in neighborhoods and communities that can accommodate the needs and desires of all households and individuals.

A. Authorization

The Kaua‘i County Housing Agency 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. The Housing Agency Section 2-1.16 of the Kaua‘i County Code, has been amended over the years to authorize housing development activities and other community oriented projects, as well as rental assistance. Beginning on July 1, 1999, Ordinance No. 720 consolidated the Housing Agency with the Agency on Elderly Affairs and the Transportation Agency into the Offices of Community Assistance. The Offices of Community Assistance was dissolved eight years later on May 25, 2007 by Ordinance No. 850 and the Kaua‘i County Housing Agency again became an independent agency under the Office of the Mayor, now headed with an appointed Housing Director. On December 10, 2007, Ordinance No. 860, the Housing Policy for the County of Kaua‘i, was adopted, designating workforce housing requirements of residential and resort development within the county.

II. AGENCY GOALS

- To preserve, maintain and increase the availability of affordable and special needs housing.
- To meet the economic and social needs of Kaua‘i’s communities through Housing Agency sponsored programs and partnerships with local, state, federal governments, and private entities.

A. Duties & Functions

1. The Housing Agency is composed of two divisions, the Development Division and the Rental Assistance Division, plus administrative personnel. The majority of the Housing Agency staff and housing programs are funded from various programs of the United States Department of Housing and Urban Development (HUD) sources.

- a. The Development Division develops affordable housing with government resources, plans and monitors affordable housing with private developers, monitors restrictions on affordable projects, provides research and community education regarding housing needs and solutions, administers the Community Development Block Grant Program (CDBG), the Home Investment Partnership Program (HOME) Program, Residential Rehabilitation and Home-Buyer Loan Programs, Neighborhood Stabilization Program, Fair Housing, and other related county, state, and federal housing programs.
- b. The Rental Assistance Division administers the HUD Section 8 Existing Housing Payments Program, where extremely low and very-low income households obtain help to pay their rent, the Family Self Sufficiency Program, where volunteer Section 8 clients are counseled to help them become independent from government assistance, and the Section 8 Homeownership Program where Section 8 participants may use their rental assistance towards mortgage assistance provided they qualify.

III. PROGRAM DESCRIPTION

A. Administration

The Housing Agency 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 general public in planning and implementing programs that will improve and enhance the quality of life for all Kaua'i citizens.

1. Program Objectives

- a. To provide leadership and administrative support to effectively and efficiently accomplish the agency's goals and objectives;
- b. To promote community involvement in planning, developing and implementing housing and community development activities by holding at least four (4) public meetings to receive comments;
- c. To promulgate agency policies and procedures, as needed, and to adopt or amend rules and regulations for the Section 8 Rental Assistance Program, County Owned Rental Housing Projects, the Rehabilitation Loan Program, the Home-Buyer Loan Program, and the Section 8 HomeOwnership Program;
- d. To insure that all state and federal reporting requirements and expenditure deadlines are met, and to insure that reimbursements from the federal government for county advances are completed within 30 days of account reconciliation; and
- e. To inform the Mayor and Kaua'i County Council on all Agency's programs and issues, and to seek approvals, as needed.

2. Program Highlights

- a. The program has currently seen an increase in participation by landlords willing to rent to Section 8 tenants. This increase is mainly due to the increase in available rentals caused by owners who are unable to sell their homes and have looked to the Section 8 program to provide some financial guarantee on their investments.
- b. Currently, all of the positions within the Section 8 Program are funded by the Federal Government by the administrative fees earned on the administration of the Section 8 Housing Choice Voucher Program.

B. Housing & Community Development Program

The Housing & Community Development Program is the responsibility of the Development Division of the County Housing Agency. 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 law, home-buyer's counseling, assessing housing needs, compiling and updating the County's Consolidated Plan, loaning funds to homeowners to rehabilitate existing housing or 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).

1. Program Objectives

- a. Home Ownership. To increase home ownership opportunities for very-low, low-income, and workforce households on Kaua'i by assisting households to become homeowners through self-help home ownership programs, the County Home Buyer Loan Programs, rent-to-own program, and homeownership education, through buyback and resale of affordable properties, and through facilitation of private and non-profit development of affordable units. The Agency is also increasing the availability of affordable housing inventory by purchasing homes through the Home Purchase Program and the Neighborhood Stabilization Program.
- b. Rental Housing. To ensure development and lease-up of the second phase of Pa'anau Village. Seek suitable sites for affordable housing on Kaua'i and investigate project feasibility.
- c. Housing Rehabilitation. To extend the economic life of Kaua'i's existing housing stock, improve housing quality, provide energy efficiency, and ensure safe and healthy living environments through the rehabilitation of single family dwellings for home owners or landlords who rent to low and moderate income households.

- d. Economic Development. To expand economic opportunities on Kaua‘i by providing low interest loans for microenterprise development, assistance to private for-profit businesses who create jobs for low and moderate income individuals, and other activities designed to create or retain permanent jobs of which at least 51% involve the employment of low and moderate-income persons.
 - e. Public Service. To improve and enhance the provision of public services which principally benefit low and moderate income persons by supporting activities concerned with employment, crime prevention, child care, health, education, drug abuse, fair housing counseling, energy conservation, welfare, recreational needs, legal assistance, etc.
 - f. To support improvement of public facilities and improvements that principally benefit low and moderate income persons which include but are not limited to fire protection facilities and equipment, shelters for homeless persons or battered spouses, removal of architectural barriers for ADA compliance, group homes for special needs, half-way houses for runaway children, recreational facilities, etc.
 - g. To expend CDBG grant allocations in a timely manner. In administering CDBG funds, the Housing Agency follows HUD’s expectation that the amount of CDBG program income on hand 60 days prior to the end of current program year, together with the amount of funds in its CDBG line of credit, does not exceed 1.5 times the entitlement grant amount for the current program year.
 - h. To provide a cost-efficient and stable source of affordable rental housing for low and moderate income households through the ownership and operation of sixty apartment units in Pa‘anau Village and one hundred apartment units in Kālepa Village.
 - i. To expand and increase knowledge of housing opportunities in the community and facilitate access to those opportunities.
2. Program Highlights
- a. The HOME Program continues to play an important role for implementing a housing strategy according to county priorities. Established priorities that shall remain in effect until June 30, 2011 are to 1) increase the inventory of rental housing units through new construction of multi-family units, and, 2) assist low-income families with homeownership through first-time homebuyer loan programs and construction of self-help housing units. In carrying out this strategy, the HOME Program continues to assist households with home-buyer assistance loans, as well as program income from loans already made and program income from other projects. The county has expended \$3.96 million in HOME funds for the development of Phase 4 of Kālepa Village which was completed in May 2009, and has approved \$2.7 million for the development of Phase 2 of Pa‘anau Village.
 - b. The HOME Program also provides a 15% set-aside for specific activities to be undertaken by a special type of non-profit called Community Housing Development Organization (CHDO). Kaua‘i Economic Opportunity, Inc. (KEO) is presently the only CHDO based on Kaua‘i certified by the State of

- Hawai‘i to use the 15% HOME set-aside. KEO is using multiple year set-aside funds (\$300,000) to a home in Hanamā‘ulu set aside funds (\$300,000) to acquire a home in Kapa‘a.
- c. The CDBG Program for Program Year 2010 – 2011 (7/1/10 – 6/30/11) awarded funds according to the County’s Consolidated Plan covering July 1, 2010 – June 30, 2015 which identifies the year’s objectives and priorities of first – public services, second - economic development, third - housing, and fourth - public facilities. The projects funded in PY 2010 – 2011 included six public services, one housing, and three public facilities projects. The CDBG allocation for this period was \$880,943.
 - d. Through the Neighborhood Stabilization Program (NSP), the Housing Agency received \$3,402,150.89 and purchased six residential properties that were abandoned, foreclosed or required rehabilitation, and constructed three single-family dwelling units, each on vacant lots owned by the County. The homes are to be sold to eligible low- and moderate-income (LMMI) households who have completed eight hours of homebuyer education by a HUD-approved agency, and will serve as their primary residence. Through the County’s Limited Equity Leasehold Program, the County retains fee ownership of the property and sells the leasehold interest to the buyer under 90-year leases. The homes will remain affordable for a minimum of 15 years. Monies generated from the sale of a property, or program income, will be used for additional purchases for the purpose of resale to eligible LMMI households. Of the County’s nine properties, one has been sold, seven are ready to sell and one still requires rehabilitation.
 - e. Over the past decade, the Housing & Community Development Program has focused on utilizing federal funds for home buyer loan programs, rehabilitation projects, and community development. In the late 1990’s, Kaua‘i’s economy was soft and the real estate market for both rental and for-sale housing suffered. However, with the beginning of the year 2000, the housing situation on Kaua‘i began to reverse, with shortages of affordable housing in numerous communities and the escalation of rental rates and for-sale prices. In recognition of this trend toward the former housing crisis that Kaua‘i experienced between 1985 and 1994, the Administration and the Council both supported major new county sponsored housing construction projects, principally expansion of both Kalepa and Pa‘anau Villages, and the acquisition of other suitable sites for housing. The housing market peaked in 2007 and again reversed. Although sales and rental prices have dropped significantly, with the unemployment rate at over 9% by 2010, job uncertainty and loss has led to slow sales, a return of units from the visitor rental pool to long term rentals, and doubling up, higher vacancy and homeless rates. FY 2010-2011, the Housing Agency is focusing on advancing and completing the development of Pa‘anau Village Phase 2

affordable rentals, the purchase and resale of distressed properties at affordable prices, the infill development of single family housing on vacant properties, and long-range planning for future affordable sites.

- f. The County Housing Agency, in collaboration with the Kaua'i Board of Realtors sponsored the "Home Sweet Home" housing fair on June 17, 2011. The fair included Open House at Kamamalu at Kaua'i Lagoons which was attended by approximately 250 people. Additionally, 22 exhibits and five educational sessions offered in the Piikoi Civic Center drew an attendance of 200-300 people.

C. Section 8 Rental Assistance Programs

- The United States Housing Act of 1937, as amended by Section 8 of the Housing and Community Development Act of 1974 provides federal funds to assist low-income families with rent subsidies. The Kaua'i County Housing Agency administers a Section 8 Rental Assistance Program through an Annual Contribution Contract with the United States Department of Housing and Urban Development (HUD).
 - The Section 8 Rental Assistance Program provides assistance for extremely low and very low-income families to insure decent, safe, and sanitary housing is affordable and available to these families. Eligible families will pay approximately 30% of their adjusted monthly income towards rent and utilities and the agency subsidizes the remaining rent owed.
 - The Section 8 Program also includes a Family Self-Sufficiency program (FSS) which helps families move toward self-sufficiency, and a Section 8 Homeownership program which allows Section 8 participants who qualify, to use their rent subsidy toward a mortgage.
1. Section 8 Program Objectives
 - a. Increase the availability of decent, safe, and affordable housing;
 - b. Improve the quality of assisted housing;
 - c. Improve program management;
 - d. Increase customer satisfaction;
 - e. Ensure equal opportunity and affirmatively further fair housing.
 2. Program Highlights of Section 8
 - a. The Section 8 program is now utilizing close to 100% of the current budget and is assisting approximately 668 families. This is less than last year due to the rise in HAP costs created by the uncertain economy and steadying of rental prices. There were no callups in the last fiscal year due to budgetary cuts by HUD that took place in Calendar Year 2009 but was not announced until May. Cost control measures were put into place but its implementation was hampered by the regulatory requirements of the HUD HCV Program and Public Hearing requirements.
 - b. The housing agency continues to do comparability analyses of current market rents which insures the establishment and maintenance of payment standards that will increase the assisted families' ability to secure suitable, affordable rental units on an ongoing basis. The agency also provides presentations to

- potential landlords, social services provider agencies, realtors, and various community organizations.
- c. The program continues its efforts to more effectively educate applicants and participants about tenant responsibilities which results in a reduction of lease violations and an increase in landlord participation in the program. Family Handbooks and Landlord Manuals are distributed for use as a reference guide to minimize confusion regarding tenant and landlord responsibilities.
 - d. Management and staff continue to attend workshops and take refresher courses to maintain and improve program knowledge.
 - e. Line staff is trained in communication and customer service skills to enhance the delivery of services to participants. Staff now uses projected images in addition to verbal explanations at program briefings. A customer service policy has been developed to ensure that all customers are treated with aloha and respect. Additionally, all staff have attended most county training opportunities recently offered such as sexual harassment training and sensitivity training for person(s) with disabilities.
 - f. The program continues doing home visits for elderly and disabled applicants and participants as an additional service as a reasonable accommodation to ensure all participants are granted equal opportunity to Housing services.
 - g. HUD currently uses the EIV system: The Enterprise Income Verification (EIV) System was developed by HUD to minimize unreported income resulting in rent errors and improper subsidy payments. Staff and Management attend regular annual required training of this system and currently use this system as mandated by HUD. This has allowed us to actively take steps to address unreported income and violations of family obligations under the program. In addition, we have developed repayment agreements to collect funds from participants who have underreported income pursuant to HUD requirements. Some of these funds are used to offer additional vouchers to other applicants.
 - h. Section 8 has taken steps to improve security and confidentiality of client records.
 - i. Staff advises program participants of equal housing opportunities without discrimination and provides participants with discrimination complaint forms and the name and number of the County's Fair Housing Officer. In addition, any calls received by the Housing Agency with regard to a fair housing issue, regardless if they are a participant or not, are referred directly to our County Fair Housing officer for assistance.
 - j. The rental market on Kaua'i appears to be leveling off after a small decline in rental prices islandwide. The amount of smaller mom and pop type rentals are disappearing, while investors from the mainland are buying up foreclosures, signing contracts with management rental companies and allowing them to be rented out to our participants at somewhat reasonable rental prices. We assume this is being done with future sales profits anticipated should the real estate market on Kaua'i rebound as predicted (although real estate has not rebounded as quickly as some in the real estate market had previously stated). When the market rebounds, we will see a

- tightening of the rental market and an increase in rental prices.
- k. The Section 8 annual budget for calendar year 2011 was recently announced in the amount of \$6,705,830. The total number of households assisted with this allocation will fluctuate based on the amount of subsidy needed for each household and available funds. At the end of July, 2011, we had approximately 670 families currently assisted on the Section 8 Rental Assistance Program with additional families currently being called off the waiting list in hopes of maximizing use of our allocated funding.

D. Family Self-Sufficiency Program

1. The Family Self-Sufficiency (FSS) Program Objectives
 - a. To promote the coordination of housing assistance programs with public and private resources to enable families receiving Section 8 rental assistance to work towards self-sufficiency. FSS is a five-year voluntary program in which families sign contracts of participation and are assigned a coordinator to assess needs and help the families develop goals and a service plan. Coordinators then provide and coordinate resources in the community which will assist families in achieving their goals. In addition, families who are able to increase their earned income and reduce the amount of rental subsidy are rewarded by HUD placing the increase in their portion of the rental payment into an escrow account for their use upon successful completion of the program. Successful completion is defined as the participant being full time employed, no longer receiving cash welfare assistance, and having met all their goals set forth in their contract.
2. FSS Program Highlights
 - a. In 2010-11 the program staff consisted of two coordinators, which are funded through a federal grant. In 2010 we applied for and received \$133,000 for two FSS Coordinators.
 - b. The number of participating families ran between 81 and 86, with a waitlist of approximately 100. During the 2010-11 fiscal year, 97 families were served. We signed 29 new participants during the year. The number of families participating in the program is limited by the number and complexity of cases one FSS Coordinator can service. The fiscal year ended with 81 participating families. Sixty (60) families had escrow accounts that totaled \$199,621.55. At the end of the calendar year, approximately 75% had increased their *earned* income. The total number still receiving cash assistance from welfare was six. The cost per person to operate the program was approximately \$1,400.00. We had six families graduate, seven families purchase a home, and three families leave the island. Five families were asked to leave the program as a result of violations and three left voluntarily for various reasons. We had eight families no longer receive any form of housing subsidy. The six families which graduated received a total of \$56,701.86 in escrow money, ranging from a high of \$31,191.31 to a low of \$649.69. We disbursed \$10,314.84 in partial disbursements to active clients for requests such as down payments, educational needs, business equipment,

transportation needs etc. The eight families who did not complete the program forfeited a total of \$11,182.66. We had approximately 34 FSS participants actively working on homeownership during the year.

- c. Resources for clients were identified and or provided in the following areas: GED/Adult Education, Education/Training, Entrepreneurship, Child Care, Transportation, Career Counseling, College Counseling, Job Search/Placement, Job Retention, Personal Welfare, Health Services, Alcohol/Drug Abuse Services, Life Skills, Money Management Counseling, and Homeownership. During the 2010-11 fiscal year, we worked with approximately 100 service providers. We are in our sixth year of providing Money Smart which is a financial literacy program consisting of 10 workshops for clients in the day time as well as evening. All participants are required to attend a minimum of eight workshops. The majority of our families other than new enrollees have completed the classes and 99% received a score of 100% correct on their post tests. All participants have a budget and work on credit repair.

3. Section 8 Homeownership Program

- a. The Section 8 Homeownership Program is also a component of the Section 8 Rental Assistance Program, staffed by the FSS Program. The Kaua'i Housing Agency was the first in the state of Hawaii to adopt HUD rules in the fall of 2002. This program allows the flexibility to use rental assistance vouchers as mortgage assistance vouchers which enables families to transition into homeownership. Mortgage assistance may be provided to qualifying families in lieu of rental subsidy.
- b. During 2010-11, the emphasis continued to be on helping families prepare to qualify for upcoming affordable homes. The high cost of homes in Hawaii continues to be a barrier for our participants, as do credit issues, however this year seven Section 8 FSS participants were able to purchase homes. Four utilized the Section 8 Homeownership Program and three were able to purchase without the assistance and are off of any Section 8 assistance. Thirty-four (34) participants received homeownership counseling along with other FSS services. Thirteen (13) Section 8 clients are receiving post purchase counseling, and three Section 8 clients who are not FSS clients are receiving homeownership counseling. We also provided training for staff, lenders, realtors, and other agencies on the Section 8 Homeownership Program and presently work with 16 lenders and 12 affordable housing organizations. We also participated in homeownership fairs through out the communities.

E. Fair Housing

- The United States Congress passes a variety of civil rights legislation in the 1960s prohibiting discrimination in the realms of education, public accommodation, employment, housing, and voting on the basis of race, religion or nationality. Title VIII of the Civil Rights Act, known as the Fair Housing Act, specifically prohibits discrimination in housing for reasons of race, religion, gender, national origin, familial status or disability.
 - The Department of Housing and Urban Development (HUD) requires states and entitlement communities receiving federal funding from the CDBG, HOME, ESG programs to certify that they are actively working to Affirmatively Further Fair Housing (AFFH). Certification requires that a state of community actively work to Affirmatively Further Fair Housing by conducting an Analysis of Impediments (AI) to Fair Housing; a) identify and implement activities aimed at overcoming the identified impediments and b) develop a system by which the activities undertaken to overcome the identified impediments may be monitored and documented. The AI identifies existing barriers to fair housing and outlines a process for addressing those issues. The Kaua‘i County Housing Agency administer federal housing programs funded by the U.S. Department of Housing and Urban Development and is committed to eliminating racial and ethnic segregation and other discriminatory practices in housing.
 - Protected classes of discrimination are:
 - Federal Protected Classes:
Race, National Origin (Ethnic Background), color, Gender, Religion, Familial Status, Disability and Sex
 - State of Hawai‘i Protected Classes:
Age, Sexual Orientation, Gender Identity Expression, HIV Status, familial status and Marital Status
1. Fair Housing Program Highlights
 - a. Annual Fair Housing education endorsed by Hawai‘i Civil Rights Commission, Legal Aid Society Hawai‘i, and the County of Kaua‘i is provided to the entire Island of Kaua‘i in the month of April. Attendees include landlords, tenants, real estate personnel, lenders, and bankers.
 - b. Approximately 12 briefings on Fair Housings are held annually to educate the participants who are to receive their Section 8 Housing Choice Vouchers. The purpose is to bring public awareness of their rights in identifying impediments to housing choices and how they get their information on housing law is essential to effective ameliorative action.
 - c. At least six times a year information and training are provided to Section 8 employees on items of interest for Fair Housing. The Fair Housing & Homebuyer Coordinator also serves as an Informal Hearings Officer for Section 8 on participants who have been terminated from the Section 8 program.

IV. PROGRAM RESOURCES

A. Administration

1. Staff Funding Sources

<u>Fund Source</u>	<u>Equivalent Personnel</u>	
	<u>Budget Amount</u>	<u>Development</u>
General Fund	\$ 546,357	7.21
Housing/Community Develop		
Grant Revenue	861,204	8.31
<u>Section 8 Grant Revenue</u>	<u>893,337</u>	<u>13.49</u>
Totals: Budget	\$ 2,300,898	29.01

B. Housing & Community Development Program

1. Program Resources (Grant Revenue)

<u>Expense</u>	<u>Budget</u>	<u>Actual</u>
Equivalent Personnel	8.31	8.31
Salaries and Wages	\$861,204	\$653,131
Other Expenses	225,919	57,087
<u>Projects</u>	<u>4,560,779</u>	<u>3,607,377</u>
Program Total	\$5,647,902	\$4,317,585

C. Section 8 Rental Assistance Programs

1. Program Funding Resources (Grant Revenue)

<u>Expense</u>	<u>Budget</u>	<u>Actual</u>
Equivalent Personnel	13.49	11.49
Salaries and Wages	\$893,337	\$799,059
Other Expenses	120,681	60,834
<u>Projects</u>	<u>6,617,000</u>	<u>5,999,693</u>
Program Total	\$7,631,018	\$6,859,586

V. EVALUATION

A. Housing & Community Development Program

- Home-Ownership. The Housing Agency assisted seven households achieve homeownership through the County's Home-Buyer Loan Program utilizing a total of \$1,022,325.00 in generating the loans. Homebuyer Education & Counseling Services, the first component of the Homebuyer Loan Program, continues to prepare low and moderate income households to become successful homeowners. Funds were expended during the year to increase the availability of affordable

housing inventory through the Home Purchase Program and the Neighborhood Stabilization Program (NSP). The program purchased one (1) foreclosed property in Kapa‘a with \$349,371.00 of NSP funding.

2. Rental Housing. The Housing Agency directly developed and completed Kālepa Village Phase 4, to build forty (40) multi family rental units. Phase 4 was completed in May 2009 and is now fully occupied. Pa‘anau Village Phase 2 is still in the pre-development phase, and the Housing Agency has awarded development rights with a non-profit developer to design, finance, and construct a project that will consist of 50 multi-family units.
3. Housing Rehabilitation. The Housing Agency is confident that its Home Rehabilitation Loan Program is needed. Outreach efforts continue. Program information was distributed at the Contractors’ Association of Kaua‘i (CAK) Home Show, a presentation was held at the American Association of Retired Persons (AARP) office for its members, and mail outs were sent to Kaua‘i Habitat for Humanity, Kaua‘i Economic Opportunity (KEO), as well as on the Housing Agency’s website. Approximately 10 inquiries were received but loan activity remained sparse with potential applicants withdrawing their interest in this program due to the declining economy.
4. Public Service. The county committed CDBG funds to Women in Need to provide case management services which promote self-sufficiency to their transitional housing programs and relapse prevention classes to improve the success of individuals recovering from substance addiction. The Office of Economic Development used funds to purchase Mobi-Mats to make festivals and events accessible for mobility-challenged individuals. To strengthen individual’s knowledge and promote economic self-sufficiency, Alu Like, Inc. utilized funds to provide financial education, while Legal Aid Society of Hawai‘i used funds to increase access to legal services to low- and moderate-income individuals. Island Intervention provided substance abuse treatment and services.
5. Public Facilities. Kaua‘i Habitat for Humanity utilized funds for highway improvements on Halewili Road for access to Habitat’s ‘Ele‘ele Iluna 125 lot subdivision which will provide affordable homes to low income families. West Kaua‘i Business & Professional Association used funds for pre-construction costs for installation of a photo voltaic electrical generation system for the historic Waimea Theatre Complex. Kaua‘i Fire Department used CDBG funds to assist with the lease/purchase of a helicopter to provide air support for brushfire mitigation and aerial reconnaissance. CDBG-R funds were used by the Department of Parks and Recreation to make ADA improvements at the Kapa‘a "New" Park and by Child & Family Service to make health and safety improvements to their Head Start Centers in Kōloa and Kīlauea.
6. Housing. The Housing Agency used funds to finance low cost mortgage loans to low-and moderate-income, first-time homebuyers to purchase a home.
7. CDBG Expenditure Ratio. As a HUD grantee, the Housing Agency is required to meet the compliance, sixty-days prior to the end of its program year, with no more than 1.5 times its annual grant remaining in the line-of- credit. On May 2, 2011, the compliance check revealed that the Housing Agency was in compliance with the CDBG regulations by achieving a timeliness ratio of .79, the lowest in the state.

8. County Rental Projects. The objectives continue to be met for both Pa‘anau Village and Kālepa Village in achieving 95% average annual occupancy. This estimate is in reality the best that can be achieved given the normal pattern for vacancy loss. All units in both projects were occupied at all times, except when tenants changed from one moving out and another moving in, plus the time needed to prepare for the new tenant.
9. Future Development
In 2006 Mayor Baptiste secured a set aside from the State Department of Land and Natural Resources for eight parcels on which to develop affordable housing. Two of the parcels, one in Aliomanu and one in Waimea were determined to be unfit for development. The set aside has been extended and is in effect to December 31, 2013 for the development of the remaining six parcels, one in Kekaha near Hawaiian Homes, two in Kawaihau near Mahelona Hospital and Kapa‘a Elementary, and three in Kapa‘a on Ka‘apuni road, above the middle school. The Housing agency is currently conducting an internal review of a draft feasibility analysis of the parcels.

B. Section 8 Rental Assistance Programs

Due to the changes in congress and the increasing federal debt level, it is anticipated that social service programs, including the Housing Choice Voucher Program will be cut, although to what extent remains unknown at this time. The Rental Assistance Program HAP funding for 2011 remained somewhat level, with administrative fees being the first to be cut to much lower levels than seen in recent years. Unfortunately, the administrative burden of the program continues to grow, with constant new requirements being added due to what we believe is a lack of understanding at the congressional level of current program requirements and the associated paperwork.

Although there is a bill currently in congress to attempt to streamline some of the requirements of this program, it remains to be seen if it can be passed with the state of politics in Washington at this time. A similar bill (SEVRA) was introduced several years ago and although there was a favorable environment at that time to get the bill passed, it never was. With so much going on in Washington at this time, along with an upcoming election year, it is doubtful that this will be a priority for congress at this time.

VI. HOLO HOLO 2020 PROJECTS & STATUS

- A. Lima Ola ‘Ele‘ele 75-Acre “Green” Active Design Affordable Housing Community
In February 2010, acting in accordance with a resolution from the County Council, the County of Kaua‘i acquired a 75-acre site in ‘Ele‘ele for the purpose of long range development of workforce housing. Conceptual master planning for the site is underway and the consultant is currently working with a Community Advisory Committee to select

and refine development options. Once the concept plan is finalized the Housing Agency will seek a consultant to provide an Environmental Impact Statement in preparation for seeking land entitlements.

B. Anahola Hawaiian Homes

The Housing Agency is working with developers of the Pi'ilani Mai ke Kai subdivision at Anahola. To date Kahua and Kaua'i Habitat for Humanity have been selected as builder/monitors of this round of construction of Self-Help housing units. We are anticipating four units under the leadership of Kahua and five units with Habitat. The Council for Native Hawaiian Advancement (CNHA) is currently in talks with the Department of Hawaiian Home Lands (DHHL) for a future build-out of ten (10) additional homes in the Pi'ilani Mai ke Kai subdivision with their partner Kahua. Habitat is also in communication with DHHL to develop an additional 30 homes in Anahola.

PERSONNEL POSITION SUMMARY

As of June 30, 2011

A. Administration:

Eugene K. Jimenez	Housing Director
Imaikalani Aiu	Spec. Asst. to the Housing Director
Shelley Teraoka	Administrative Specialist
Avis Hirahara	Accountant
Fay Kimura	Accountant
Vilma Tesch	Account Clerk
Tess Abigania	Sr. Account Clerk

B. Housing & Community Development Division:

Gary Mackler	Development Coordinator
Chong Sun U	Agency Administrative Support Asst.
Kerrilyn Villa	CDBG Coordinator
Raymond Furuike	Rental Management Specialist
Barbara Pendragon	Housing Planner
Fay Rapozo	Fair Housing & HomeBuyer Coord
Sharon Kelekoma	CDBG Specialist
Steven Franco, Jr.	HomeBuyer Specialist
Klayford Nakaahiki	Development Specialist
Elisa Lagoc-Chang	Housing Technician

C. HUD Section 8 Rental Assistance Division:

Sandra Kaauwai	Program Manager
Naomi Makaneole	Assistant Program Manager
Sandy Adachi	Housing Assistance Specialist
Calvin Fujimura	Housing Assistance Specialist
Irene Hironaka	Housing Assistance Specialist
Kathryn Kato	Housing Self-Sufficiency Specialist
Lynn Kashiwai	Housing Assistance Worker
Arnold Kaneshiro	HQS Inspector
Terry Souza	Housing Assistance Clerk
Vacant	Senior Clerk
Linda Cataluna	Senior Clerk
Melissa Jackson	Homeownership Specialist
Joshua Oxentine	Housing Assistance Specialist