

# KAUA‘I COUNTY HOUSING AGENCY

## Annual Report For Fiscal Year Ending June 30, 2015

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### ***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.*

#### **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 a Housing Director. On December 10, 2007, Ordinance No. 860, the Housing Policy for the County of Kaua‘i, was adopted, designating workforce housing requirements for residential and resort development within the county.

### ***II. AGENCY GOALS***

- Preserve tenant based rent subsidies under the Section 8 Housing Choice Voucher Program;
- Preserve and expand affordable housing inventory to meet the needs of Kaua‘i’s population;
- Increase financial capacity to support the goals and objectives of the Housing Agency; and
- Provide efficient, consistent, and quality delivery of services.

#### **A. Duties & Functions**

1. The Housing Agency is comprised of two divisions, the Rental Assistance

Division and Development Division, which are supported and managed by administrative personnel. Historically, a majority of the Housing Agency staff and housing programs were funded through various programs of the United States Department of Housing and Urban Development (HUD). However, federal budget reductions has led to a decrease of HUD funded programs (and administrative funds) which has resulted in the County now funding the majority of salaries and benefits of Housing Agency staff with its HCDRF, General fund, and revenues from the County's rental projects.

- 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), HOME Investment Partnerships (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 participating and coordinating with the community, other government agencies and private organizations;
- 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 Housing Agency programs and issues, and to seek approvals, as needed.

2. Program Highlights

- a. The entire State of Hawai‘i is seeing a significant rise in rental prices with the demand far outweighing the supply. As is typical in this real estate cycle, the Section 8 loses a large portion of its long term rental supply to the short term vacation rental industry. Participation by our regular Realtors & Landlords shrinks as properties are bought up by mainlanders, taken off the real estate market and subsequently occupied by its new owners. An unprecedented 23.5% drop of Kaua‘i’s Fair Market Rents (as determined by HUD) in 2015 made the difficulty in finding affordable long term rentals almost impossible for all but a small majority of our clients. Only 41% of the vouchers issued this year have found housing that falls within the limits provided by HUD.
- b. Currently, 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. As administrative fees have been drastically reduced, we will once again depend on some funding from the Administration to keep positions filled to ensure adequate client customer service at all times.

B. Housing & Community Development Program

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 homeowners to rehabilitate existing homes 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 gap group households through self-help home homebuilding programs, the County Home-Buyer Loan Program, Rent-to-Own Program, through buyback and resale of affordable properties, and through facilitation of private and non-profit development of affordable units. The Division also increased 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 of rental housing inventory, to seek suitable sites for affordable housing development, and to investigate project feasibility for more rental housing production.
- 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, and multi-family housing projects.
- d. Economic Development. To expand economic opportunities by providing low interest CDBG 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 the improvement of public facilities and other 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, and to meet HUD’s requirement 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 60 apartment units in Pa‘anau Village and 100 apartment units in Kālepa Village, and development of new rental housing.
- 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 are to 1) increase the inventory of rental housing units through new construction of multi-family units and rentals for elderly, 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. Rice Camp Senior Housing (60 senior housing units) opened in March 2015 and is fully occupied. The County has committed \$500,000 thousand in HOME funds for the development of Rice Camp Senior Housing Phase II (30 senior rental units). The County is also providing \$1.92 million in HOME funds to assist Kauai Habitat for Humanity construct site improvements for the creation of 48 buildable lots in the Elele Iluna Subdivision. Subdivision improvements are complete.
- 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) and The Mutual Housing Association of Hawai'i are certified as CHDO's eligible to carry out HOME activities on Kaua'i. Mutual Housing has completed rehabilitation of 9 buildings at Lihu'e Court Townhomes to preserve the stock of affordable rental housing. HOME CHDO funds will be used to complete 3 additional buildings in this housing project.
- c. The CDBG Program for Program Year 2014 – 2015 (7/1/14 – 6/30/15) 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 2014 – 2015 included three public services, three housing, and two public facilities projects. The CDBG allocation for this period was \$ 709,480. The County also adopted a new Consolidated Plan for the CDBG Program covering July 1, 2015 through June 30, 2020 to establish spending priorities during this period.
- d. Through the Neighborhood Stabilization Program (NSP), the Housing Agency utilized program income generated from leasehold home sales and direct loan repayments. One primary loan was issued to a low-, moderate-, or middle-income (LMMI) household and a second loan will close in September 2015. The County maintains leasehold ownership (to perpetuate affordable housing units on Kauai) of 10 properties purchased or constructed using NSP funds and program income generated
- 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. More recently, the rental housing market has tightened and more rental inventory is needed islandwide. In FY 2014-2015, the Housing Agency focused on advancing engineering and entitlements for the future development of the Lima Ola project site in 'Ele'ele. The Housing Agency is also preparing to advance development of the Koae Workforce Housing parcel in Koloa, by selecting a development team to develop up to 150 dwelling units.

**KCHA HOMEBUYER LOAN PROGRAM 2015 RECAP**  
**FISCAL YEAR 2015 (JULY 1, 2014 – JUNE 30, 2015)**

**HOMES SOLD**

<b><u>PROPERTY</u></b>	<b><u>SALES PRICE</u></b>	<b><u>CLOSING DATE</u></b>	<b><u>FEE/LEASEHOLD</u></b>
3920 Haa Street, #312 Līhu'e, HI 96766	\$186,850	7/18/14	FEE SIMPLE
5116 Apelila Street Kapaa, HI 96746	\$185,000	10/8/14	LEASEHOLD
3560 Piliialoha Street Hanapepe, HI 96716	\$235,000	10/31/14	LEASEHOLD
9661 Haina Road Waimea, HI 96796	\$238,000	9/30/14	LEASEHOLD

**HOMEBUYER LOANS**

<b><u>PROPERTY</u></b>	<b><u>LOAN AMOUNT</u></b>	<b><u>SALES PRICE</u></b>	<b><u>CLOSING DATE</u></b>	<b><u>FUNDING SOURCE</u></b>
4623 Ekolu St. Līhu'e, HI 96766	\$395,000	\$450,000	7/2/14	NSP
3920 Haa St., #312 Lihue, HI 96766	\$186,850	\$186,850	7/18/14	CDBG
5116 Apeliia St. Lihue, HI 96766	\$185,000	\$185,000	10/8/14	HOME
3560 Piliialoha St. Hanapēpē, HI 96716	\$235,000	\$235,000	10/31/14	HOME

TOTAL LOANS: 4

TOTAL LOAN AMOUNT: \$1,001,850.00

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. HAP Renewal funding for the Housing Choice voucher program was slightly lower for 2015 as allocations were determined by the amount of funds spent for the previous year. Again, HUD recognized the increasing struggles of trying to administer programs of this size at a miserly 75% of eligible costs and lifted that amount slightly to 79%. While again, this is a slight improvement over last year, it is still nowhere near the amount of fees it costs to run such a complex and complicated program. The Section 8 program will need to be carried into 2016 utilizing funds from other sources to cover administrative costs and estimates show that we will depend more and more on general funds to continue to serve the 600+ extremely low and low income families we currently serve.
    - 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. Because our Fair Market Rents are so low, Payment Standards (subsidy standards) are set at the maximum allow by HUD or 110% of FMRs.
    - c. The Housing Agency opened its list online for the first time in October of 2014 with great success. We were able to collect over 2000 application rather seamlessly. Out of the 2000 applications, 750 were selected via

random electric lottery to be part of our new waiting list. We expect to open the list once again this next calendar year.

- d. The program continues its efforts to more effectively educate applicants and participants about tenant responsibilities which results in a reduction of terminations for family obligations and other types of HUD violations. Family briefings and materials are handed out at admission and they are briefed on the rules and regulations of the program and the requirements to remain a participant in our program. We have also increased our complaint investigations to ensure that participants are complying with program rules and regulations.
- e. Management and staff continue to attend workshops and take refresher courses to maintain and improve program knowledge. These are limited, however by dwindling administrative fees. HUD has recently unveiled an online learning site which we will be taking advantage of.
- f. Line staff is continuously 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 and goes through the family handbook on a page by page basis. 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, sensitivity training for person(s) with disabilities, and most recently workplace violence training.
- g. The program continues doing phone, and/or 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. In addition, accommodations are made when necessary to afford a person with disability an equal opportunity to use and enjoy a dwelling. This can include the addition of a live-in aide, or the change or modifications to rules or policies, etc.
- h. HUD currently mandates use 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 are required to review EIV training via the web. 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 may be used to offer additional vouchers to other applicants. County attorneys have been instrumental in assisting us in collection of delinquent funds due to the agency that can be used to help house other families.
- i. Section 8 has taken steps to improve customer service by reorganizing staff and staff duties so that there are always two people at the front to assist customers and answer telephone calls. In addition, customer service surveys were sent out to persons having direct business with our agency and 90%+ of customer service surveys were Good or Excellent.



- j. Quality Control of our inspections operations has improved the quality and service to our Section 8 customers.
- l. 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.
- m. We are currently seeing a trend of a shrinking supply of available rentals, so consequently, rental prices are rising sharply. This trend causes our cost per unit to rise, thus we are not able to help as many families as we have in the past. In addition, we are seeing a shrinking of mom and pop rentals, typically a large source of rentals for our participants, as aging populations are starting to sell long time rentals due to the increasing complexities or rental management required by landlords, as well as rising costs, including property taxes and utilities. The selloff of these properties is mainly to families moving here from the mainland to escape the crowds and recent extreme weather conditions.
- n. The Section 8 annual budget for the 2015 calendar year \$5,703,591. The total number of households assisted with this allocation will fluctuate based on the amount of subsidy needed for each household and available funds. For fiscal year 2015, we had assisted an average of 620 families per month on the Section 8 Rental Assistance Program.

#### 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 customer-driven 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 suitably employed, no longer receiving cash financial welfare assistance, and having completed all their goals set forth and agreed to in their contract.
- 2. FSS Program Highlights
  - a. In 2014-15 the program staff consisted of two coordinators, which are funded through a federal grant. In 2014, the Housing Agency through its FSS Coordinators applied for continued FSS funding for calendar year 2015. The Housing Agency was notified formally of its 2015 award on

- October 3, 2014 for the amount of \$131,891.00 for two FSS Coordinators.
- b. On June 25, 2015, HUD announced its FY2015 FSS Coordinator funding availability. Awards through this funding competition would cover FSS Coordinators for calendar year 2016. Applications were due on July 27, 2015. Once again, the Housing Agency through its FSS Coordinators applied for continued funding. At the time of this annual report, the Housing Agency is awaiting notification from HUD on awards. HUD anticipates notifications to FSS programs on or around September 30, 2015.
  - c. During the last full program reporting period (January 1, 2014 to December 31, 2014, the program provided services to 102 participating families. For the reported fiscal year (July 1, 2014 to June 30, 2015), the program provided services to 86 participating families and had a waitlist of 65 on June 30, 2015. The average head of household at the time of enrollment is single, age 31-50, has two children and in the very low income bracket. They have high debt, and little or no college education or vocational training. The program is a five year program and of the 22 who began the program in 2009, nine completed the program and received escrow, one participant completed the program but did not earn escrow, one participant moved to homeownership, four families were asked to leave the program and three families voluntarily left the program.
  - d. Out of the 102 families serviced in the full 2014 program reporting period, 84 participants had *earned* income of which 36 increased their *earned* income over the previous program year. The average yearly increase in income per participant was nearly \$4,907. The cost per participant household to operate the program was approximately \$1,281.
  - e. 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 2014-15 fiscal year, we worked with approximately 81 service providers. Job placements numbered 46; college enrollment 12; job training 3; vocational training 14; referrals for health services 79; referrals for substance abuse services 1; and families linked to childcare services 17.
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 2014-15 and since 2013, with the loss of our initial Homeownership Coordinator and HUD's focus back to the FSS program, the emphasis was

changed back to completion of Family Self Sufficiency goals including homeownership. The high cost of homes in Hawaii continues to be a barrier for our participants, as do credit issues. Twenty seven FSS participants received homeownership counseling along with other FSS services. Ten Section 8 clients are receiving post purchase counseling

E. Fair Housing

The Fair Housing Act not only prohibits discrimination but, in conjunction with other statutes, take steps proactively to overcome historic patterns of segregation, promotes fair housing choice, and foster inclusive communities for all. Housing discrimination is often hard to recognize, especially here in Hawai'i. Sometimes it can be obvious. However, in most instances, discrimination is difficult to detect. The County of Kaua'i, through its continued promotion of activities and education, enlightens the public on relevant issues on fair housing.

Protected classes of discrimination are:

Federally Protected Classes:

Race, Sex, Color, Religion, Disability, Ancestry/National Origin,

State of Hawai'i Protected Classes:

Familial Status, HIV Infection, Age, Marital Status, Sexual Orientation, Gender Identity or Expression

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; State of Hawaii's protected classes on housing are, familial status, age, marital status, sexual orientation and gender identity or expression in housing.

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

Highlights of the role of the County's Fair Housing Officer are:

1. Participate as a Hearings Officer for Section 8 participant(s) facing termination from the program to assure participant(s) were given a fair hearing and to ensure fair housing laws are not violated;
2. Provide briefings on fair housing laws to Section 8 Housing Choice Voucher participant(s) coming on to the program for the first time;

3. Attended Fair Housing Coordinators' meetings quarterly with the State, Counties, HUD, LASH, and any other entities receiving federal funding who are required to affirmatively promote fair housing through continued training.
4. Coordinated the annual Fair Housing training session in April for landlords, tenants, general public, property/resident managers, condominium and homeowners associations, housing authority staff, housing advocates, maintenance, grounds, custodial teams, real estate brokers, agents, service providers, and security/police officers;
5. Monitor local newspaper and periodicals on rental and sales solicitations for compliance with fair housing.
6. Assist individuals with complaints, filing of complaints with LASH and/or Hawai'i Civil Rights Commission (HCRC).
7. Work with LASH in finding fair housing testers on island.

**IV. PROGRAM RESOURCES**

A. Administration

1. Staff Funding Sources

<u>Fund Source</u>	<u>Budget Amount</u>	Equivalent Personnel
General Fund	\$ 668,846	8.14
Housing/Community Develop		
Grant Revenue	1,123,441	13.65
<u>Section 8 Grant Revenue</u>	<u>522,955</u>	<u>8.21</u>
Totals: Budget	\$ 2,315,242	30.00

B. Housing & Community Development Program

1. Program Resources (Grant Revenue)

<u>Expense</u>	<u>Budget</u>	<u>Actual</u>
Equivalent Personnel	13.65	12.79
Salaries and Wages	\$1,123,441	\$1,013,777
Other Expenses	240,129	167,608
<u>Projects</u>	<u>7,717,723</u>	<u>6,040,271</u>
Program Total	\$9,081,293	\$7,221,656

C. Section 8 Rental Assistance Programs

1. Program Funding Resources (Grant Revenue)

<u>Expense</u>	<u>Budget</u>	<u>Actual</u>
Equivalent Personnel	8.21	6.17
Salaries and Wages	\$522,955	\$475,723
Other Expenses	79,093	55,503
<u>Projects</u>	<u>5,840,476</u>	<u>5,840,475</u>
Program Total	\$6,442,524	\$6,371,701

**V. EVALUATION**

A. Housing & Community Development Program

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1. Home-Ownership. The Housing Agency assisted eight households to achieve homeownership through the County’s Home-Buyer Loan Program utilizing a total of \$2,266,750 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.
2. Rental Housing. The Housing Agency committed \$1.0 million in HOME funds to the 60-unit Rice Camp Senior Housing Project in Lihue, and \$1.25 million to the 44-unit Kolopua Project in Princeville. Additionally, the Housing Agency committed \$711,000 in HOME funds to the Lihue Court Townhomes Rehabilitation Project to preserve affordable rental housing stock.
3. Housing Rehabilitation. The Housing Agency is confident that its Home Rehabilitation Loan Program is needed. Outreach efforts continue. Program information is on the Housing Agency’s website.
4. Rental Housing. The Housing Agency committed \$500,000 in HOME funds to the 30-unit Rice Camp Senior Housing Phase II Project in Lihue, and \$1.25 million to the 44-unit Kolopua Project in Princeville. Additionally, the Housing Agency committed \$242,000 in HOME funds to the Lihue Court Townhomes Rehabilitation Project to preserve affordable rental housing stock.
5. Public Service. The County committed CDBG funds to Women in Need and Love the Journey 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. Boys and Girls Club of Hawaii provides cultural enrichment activities, sports and education programs for youth who are residents at Lihue Court Townhomes
6. Public Facilities. YWCA of Kauai utilized CDBG funds to replace the roof and install a photovoltaic system. Kauai Fire Department will use funds to purchase an emergency response vehicle with skid unit (pumping truck
7. Housing. Hawaiian Community Assets uses funds to provide pre-purchase workshops, education and counseling services to first-time homebuyers. Kauai County Housing Agency uses funds to purchase affordable homes to re-sell to low and moderate income households via the County’s Leasehold Sales program

and finances low cost mortgage loans for low income households. Mutual Housing Association of Hawaii, Inc. will complete exterior renovations to 3 buildings (9 units per building) at Lihue court Townhomes.

8. 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. 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 (LOCCS). 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 was in compliance with the CDBG regulations by achieving a timeliness ratio of 1.13 times its annual grant. However, after taking into account the County's revolving loan fund balance of \$3,135,964, the timeliness ratio increased to 4.25. In order to offset the constant challenges with Congressional budget decrease in funding, the Housing Agency believes it is important to invest CDBG funds that have the potential to generate program income that will build up the revolving loan fund to establish a level of sustainability. The Housing Agency 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 on Kaua'i.
9. County Rental Projects. The Kālepa Village rental project continues to meet the objective of achieving 95% average annual occupancy. All units in the project 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. Pa'anau Village occupancy is meeting its objective of 95% occupancy.
10. Future Development. In 2010, Mayor Carvalho secured a 75-acre parcel of land in 'Ele'ele known at the Lima Ola Project site. Lima Ola is intended to provide up to 550 units of affordable housing serving the greater west side and south shore workforce. The Housing Agency is working with an engineering consultant to complete value engineering, water master plan, traffic study, and land entitlements that are necessary for the parcels future development.

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 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. See above for status.
  
- 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. Four units under the leadership of Kahua and five units with Habitat are anticipated. 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, 2015

### A. Administration:

Kamuela Cobb-Adams	Housing Director
Kanani Fu	Spec. Asst. to the Housing Director
Shelley Teraoka	Administrative Specialist
Avis Hirahara	Accountant
Tess Abigania	Accountant
Vilma Tesch	Sr. Account Clerk
George Kitt	Dept. Accounting Tech.

### B. Housing & Community Development Division:

Gary Mackler	Development Coordinator
Chong Sun U	Agency Administrative Support Asst.
Kerrilyn Barros	CDBG Coordinator
Vacant	Rental Management Specialist
Vacant	Housing Planner
Vacant	Fair Housing & Home Buyer Coord.
Sharon Graham	CDBG Specialist
Steven Franco, Jr.	Home Buyer Specialist
Klayford Nakaahiki	Development Specialist
Elisa Lagoc-Chang	Housing Technician

### C. HUD Section 8 Rental Assistance Division:

Sandra Kaauwai	Program Manager
Naomi Cortez	Assistant Program Manager
Sandy Adachi	Housing Assistance Specialist
Joshua Oxentine	Housing Assistance Specialist
Irene Hironaka	Housing Assistance Specialist
Bricen Moritsugu	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
Shawnelle Palomores	Housing Self-Sufficiency Specialist
Vacant	Housing Assistance Specialist