

**ANNUAL REPORT**  
**July 1, 2015 to July 31, 2016**

**KAUAI COUNTY HOUSING AGENCY**

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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 Kauai.

**II. AGENCY GOALS**

The Housing Agency's primary goals are to:

- Preserve tenant based rent subsidies under the Section 8 Housing Choice Voucher Program;
- Maintain and expand affordable housing inventory to meet the needs of Kauai's population;
- Increase financial capacity to support the goals and objectives of the Housing Agency;
- Provide efficient, consistent, and quality delivery of services; and
- Promote and sustain community development activities.

**III. PROGRAM DESCRIPTION**

The Housing Agency is comprised of two divisions, the Housing & Community Development Division and the Section 8 Rental Assistance Division, which are supported and managed by administrative personnel.

a. Housing & Community Development Division

The Housing and Community Development Division responsibilities 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, and providing research and community education regarding fair housing laws and home-buyer counseling. Additionally, the Housing & Community Development Division is responsible for administering the HOME Investment Partnerships Program (HOME), the Community Development Block Grant (CDBG) Program, and the Neighborhood Stabilization Program (NSP).

i. Program Objectives

1. Home Ownership. To increase home ownership opportunities for very-low, low-income, and gap group households through facilitation of private and non-profit development of affordable units.

2. 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.
3. Housing Rehabilitation. To extend the economic life of Kauai's existing affordable housing stock and improve housing quality, through rehabilitation.
4. Economic Development. To expand economic opportunities by providing low interest CDBG.
5. 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.
6. 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 Kalepa Village, and development of new rental housing.
7. To expand and increase knowledge of housing opportunities in the community and facilitate access to those opportunities.

ii. Program Measures-Accomplishments/Evaluation

1. 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. The County has committed \$2.25 million in HOME funds for the development of Koa'e Workforce Housing in Poipu (134 multifamily rental units) and \$1.535 million for the development of Eleele Iluna Phase 2-Increment "B" (59 improved lots for self-help home building). The County also assisted Kauai Habitat for Humanity to complete site improvements for the creation of 48 buildable lots in the Eleele Iluna Phase2-Increment "A" and nearly 16 homes have been completed. Additionally, the Kolopua project in Princeville (44 multifamily rental units) was completed in August 2015, and the Kaniko'o Phase II project in Lihu'e (30 senior rental units) is under construction and scheduled for completion in December 2016.
2. 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). Kauai Economic Opportunity, Inc. (KEO) and The Mutual Housing Association of Hawai'i are certified as CHDO eligible to carry out HOME activities on Kauai. Mutual Housing completed the rehabilitation of 12 buildings at Lihu'e Court Townhomes to preserve the stock of affordable rental housing.

3. The CDBG Program awarded funds according to the County's Consolidated Plan covering July 1, 2015 – June 30, 2016, which identifies the year's objectives and priorities of first – public services, second - economic development, third - housing, and fourth - public facilities. The projects funded included three public services, three housing, and two public facilities projects. The CDBG allocation for this period was \$696,697.
4. Under the Home Buyer Loan Program, the County sold 1 fee simple and 2 leasehold homes and administered 2 home loans, totaling \$507,000 for first-time home buyers. The County continues to maintain leasehold ownership (to perpetuate affordable housing units on Kauai) of 10 properties purchased or constructed using NSP funds and program income generated.
5. The Housing Agency received Council approval to proceed with Lima Ola entitlements using the 201H process. Construction of Phase I is scheduled to commence in 2017 and will provide up to 150 new multifamily and single family housing units.

b. Section 8 Rental Assistance Division

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

i. Program Objectives

1. Increase the availability of decent, safe, and affordable housing;
2. Improve the quality of assisted housing;
3. Improve program management;
4. Increase customer satisfaction;
5. Ensure equal opportunity and affirmatively further fair housing.

ii. Program Measures-Accomplishments/Evaluation

1. The HCV Program served 600 families and administered \$6 million in housing vouchers.
2. The HCV Program conducted 3 waitlist pulls for new voucher issuances clearing the list. Over 300 HCV waitlist applications were processed and 40 new participants were issued vouchers. The waitlist

will reopen in August 2016 and begin taking a new round of applications.

3. The HCV Program served 600 families and administered \$6 million in housing vouchers.
4. HCV received no findings on the Single Audit for the fourth consecutive year;
5. During the program year, the Family Self-Sufficiency Program served 89 households comprising of 289 unduplicated individuals ranging from newborns to kūpuna. Of the 89 households served, 47 families increased their incomes by an average of \$8,727. Fourteen families exited the program in 2015 of which six transitioned into non-subsidized housing and eight graduated from the program. In 2016, the program is currently serving 75 households and receives an operating \$133,000 grant from the US Department of Housing & Urban Development (HUD).

#### IV. Budget

	TOTAL All Funds	General Fund	HCDRF	HCD (Grant Revenue)	Section 8 (Grant Revenue)
Equivalent Personnel	<b>29.00</b>	12.30	1.40	2.05	13.25
Salaries and Wages	<b>\$ 2,166,579</b>	\$ 963,392	\$ 121,722	\$ 184,993	\$ 896,472
Other Expenses	<b>\$ 1,033,565</b>			\$ 893,991	\$ 139,574
Projects	<b>\$11,527,836</b>			\$ 5,384,836	\$ 6,143,000
<b>TOTAL</b>	<b>\$14,727,980</b>	\$ 963,392	\$ 121,722	\$ 6,463,820	\$ 7,179,046

#### V. Holo Holo 2020 Projects & Status

- a. Establish the County’s first “green” affordable housing development: Lima Ola encompasses 75 acres of land owned by the County of Kauai and is located in Eleele. Proposed development of Lima Ola is planned in four phases with the focus on commencing Phase 1 in 2017. Buildout of Phase 1 will allow for 149 residential units consisting of single-family and multi-family units, designed with green sustainable energy efficiency features, a community center/park, vegetated drainage swales, landscaped areas, bike and pedestrian paths, and an on-site water detention basin. 100% of the units will be affordable as defined by the Housing Policy for the County.
- b. Construct additional Hawaiian homes in Anahola. The Department of Hawaiian Home Lands (DHHL) currently has 53 improved lots for home construction. DHHL continues to work with its beneficiaries in assisting them with home ownership and continues to explore housing opportunities for its beneficiaries including, rent-to-own, multi-family rental units, and self-help programs. In order to implement some of these housing models, amendments to DHHL’s Administrative Rules is required.