



# **Kaua'i County Housing Agency**

**Fiscal Year 2019 Annual Report**

**July 1, 2018 – June 30, 2019**

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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 HCV Rental Assistance Program and fully utilize all available federal funding;
- C. Support Community Economic Development

### **III. PROGRAM DESCRIPTIONS**

The Housing Agency is comprised of Administration and two divisions, the Housing and Community Development Division and the Housing Choice Voucher Rental Assistance Division.

#### **ADMINISTRATION**

The KCHA 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, implanting 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**

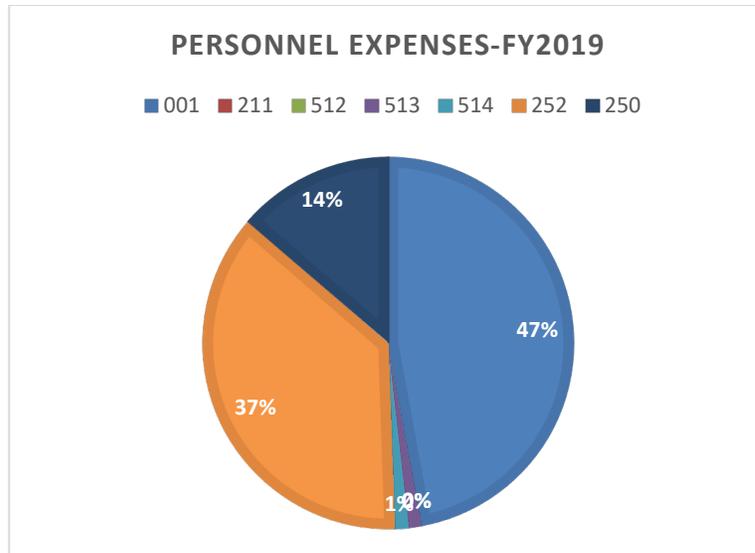
The Housing Choice Voucher Rental Assistance Division administers the HUD Section 8 Housing Choice Voucher (HCV) Program, where extremely low and very-low income households obtain help to pay their rent. In addition, the Division also administers the Family Self Sufficiency Program, where volunteer HCV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

**IV. BUDGET**

In FY29, the Housing Agency had an overall budget of just over \$26.96 million with expenses and encumbrances of \$21.3 million. Notably, the 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	1,972,481.00	1,499,402.00
Housing Development Revolving Fund - 211	1,069,205.00	540,920.00
Housing Development Fund - 512	4,355,083.00	3,179,465.00
Kalepa Village - 513	1,638,936.00	733,129.00
Paanau - 514	922,235.00	369,721.00
Section 8 - 252	8,105,147.00	7,780,895.00
HOME/CDBG/HTF/FSS - 250	8,901,763.00	7,221,042.00
<b>Total</b>	<b>26,964,850.00</b>	<b>21,324,574.00</b>

As with overall Agency funding, the majority of funding for the Agency’s personnel expenses also came from non-County sources. With a total of \$2.13 million in personnel expenses, 47% or just over \$1million were paid from the general fund. The remaining 53% or \$1.13 million in personnel costs were paid through program income and federal grants.



**V. ACCOMPLISHMENTS/EVALUATION**

The Agency's FY19 Strategic Plan guides the Agency's specific annual goals and objectives.

A. Housing Choice Voucher Rental Assistance Division

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

In FY19 Housing Agency received and successfully administered \$6.4 million from HUD to provide rental assistance payments to extremely low and very low-income families on Kauai. The agency provided an average daily assistance to 653 families and provided necessary outreach support to families in need of additional support services.

Goal #2: Issue 100 new HCV vouchers.

In FY 2019, the total number of applicants that applied to the year's waitlist was 1087. From these applicants, 144 applicants did not respond to the waitlist pull, 397 applicants were deemed ineligible and 332 applicants were issued vouchers. Of the 332 applicants who received a voucher, 224 vouchers expired, 85 vouchers carried over to the next fiscal year and 23 families successfully entered into leases.

Goal #3: Obtain 25 New Rental Units for the HCV program via Landlord Outreach

As noted above, 23 participating families successfully entered into new leases.

Goal #4: Maintain and Expand the Family Self-Sufficiency Program

In 2018-2019 fiscal year, the Family Self-Sufficiency program (FSS) provided case management or coaching services to 102 household families (398 unduplicated individuals). A significant increase of 19 additional House Choice Voucher participants.

In working to help or enable families to work toward economic self-sufficiency, sixty-six (66) participants increased their household earned income. As a result, seventy-three (73) households are earning escrow savings.

At the end of the year, twelve (12) families successfully achieved their goals and completed the five-year program earning combined escrow payments of \$87,533. Nine (9) families did not meet their individual goals and therefore forfeited their combined escrow earnings of \$43,201.

B. Housing and Community Development Division

Goal #1: Site Two Affordable Housing Projects for Future Development

In FY19 the Agency completed the Environmental Assessment for the Pua Loke Affordable Housing Project which proposes to develop up to 60 units on land owned by the County.

Goal #2: Support the Development of 500 New Affordable Housing Units

To meet projected housing demand, the Housing Agency is involved with supporting and developing the following projects that are in various stages of development:

- Lima Ola Phase I, 149 units. Land entitlements were completed in August 2018 and the Housing Agency is working to secure a \$13 MM Dwelling Unit Revolving Fund loan from Hawai'i Housing Development Corporation (HHFDC) to develop the infrastructure.
- Koa'e, 134 units. Construction to commenced in FY 18, with completion of all units in set for FY 21.
- State Scattered Lots, 12 units. Working to Complete Executive Order with the State in FY18 transferring parcels for development. If successful we hope to commence construction in FY 2019.
- 'Ele'ele 'Iluna Phase II, Increment A, 48 units: 24 homes were completed in FY 18. The remaining 24 homes are projected to be constructed throughout FY19.
- 'Ele'ele 'Iluna Phase II, Increment B, 59 units: Site work commenced and 59 buildable lots are projected to be completed in FY19.
- Kohea Loa Ho'oluana, 151 units of which, 32 are affordable units. In FY 18, construction commenced. Project was completed in and sold in FY19.

- Pua Loke Affordable Housing, 40 units. The Housing Agency is on target to select a developer and secure financing in FY 19, and commence construction in FY 20

Goal #3: Preserve Existing Housing Inventory

The Agency worked to preserve existing housing through rehabilitation work at Kalepa Village. A long-term project to replace the flooring in 20 first floor units in Phase IV commenced and the first of 20 units was completed for \$11,522. Additionally, the Agency completed exterior electrical work to improve exterior lighting in the amount of \$2,800.

C. Administration

Goal #1: Secure Non-County Funds to Support Affordable Housing Development

In partnership with Mark Development, the Koa'e affordable housing project in Kōloa secured Low Income Housing Tax Credits and other non-County Financing totaling just over \$40 million.

Goal #2: Grow the Housing Development Fund

In executing development projects, prior to FY19 the Agency was dependent on \$3 million in federal HOME and HTF grant funds available on a three-year funding cycle. This level of funding is insufficient to timely and adequately address our housing crisis. Moreover, these funds may only be used to develop housing for individuals and families at or below 80% of average median income (AMI), with the vast bulk of this funding only available to assist those at 60% and below. These income restrictions leave the Housing Agency unable to address gap housing for those unable to qualify for federal assistance, but also still priced out of our housing market.

In FY19 Administration advocated for and Council approved \$2.7 million in direct County funding through the Housing Development Fund providing much needed funds that may be administered with significantly more flexibility and creativity than existing federal programs.

Separately, the Housing agency advocated for an ordinance that would establish a relatively permanent and stable source of development funding by allocating 1% of real property tax collected to the development of affordable housing. This proposed bill failed at Council.