



Kaua'i County Housing Agency

Fiscal Year 2020 Annual Report

July 1, 2019 – June 30, 2020

Adam Roversi
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 primary divisions, the Housing and Community Development Division and the Housing Choice Voucher Rental Assistance Division, and new in FY20 the Hale Kōkua social services center comprised of substance abuse prevention and homeless support services.

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.

HALE KOKUA

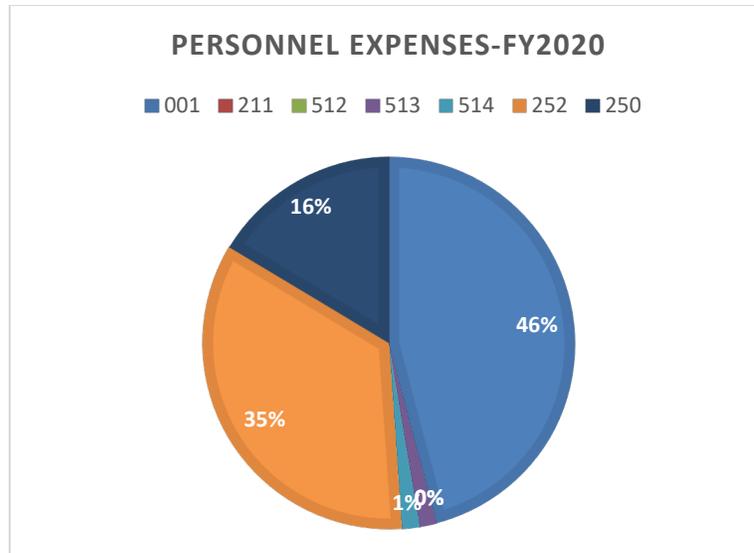
Hale Kōkua is intended to operate as a one-stop-shop for social services including homeless support services, the Life’s Choices substance abuse prevention office, and employment services via the American Jobs Center.

IV. BUDGET

In FY20, the Housing Agency had an overall budget of just over \$33 million with expenses and encumbrances of \$23.7 million. Notably, the majority of Agency funding comes from non-County sources such as federal grant funding and existing project income.

Account	Budget	Expenses
General fund - 001	1,699,880.00	1,519,452.00
Housing Development Revolving Fund - 211	847,441.00	577,894.00
Housing Development Fund - 512	6,142,735.00	3,570,029.00
Kalepa Village - 513	1,576,455.00	902,947.00
Paanau - 514	877,456.00	522,209.00
Section 8 - 252	9,045,298.00	8,580,851.00
HOME/CDBG/HTF/FSS - 250	12,897,517.00	8,033,257.00
Total	33,086,782.00	23,706,639.00

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 \$2.28 million in personnel expenses, 46% or \$1.05 million were paid from the general fund. The remaining 54% or \$1.23 million in personnel costs were paid through program income and federal grants.



V. ACCOMPLISHMENTS/EVALUATION

The Agency's FY20 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 FY20 Housing Agency received and successfully administered \$7.2 million from HUD to provide rental assistance payments to extremely low and very low-income families on Kaua'i. The agency provided an average daily assistance to 670 families and provided necessary outreach support to families in need of additional support services.

Goal #2: Issue 100 new HCV vouchers.

In FY 2020, the total number of applicants that applied to the year's waitlist was 1326. From these applicants, 397 applicants did not respond to the waitlist pull, 572 applicants were deemed ineligible and 357 applicants were issued vouchers. Of the 357 applicants who received a voucher, 115 vouchers expired, 203 vouchers carried over to the next fiscal year and 39 families successfully entered into long-term leases.

In addition to the regular HCV assistance program, the Agency implemented a new Place Based Voucher program that attaches rental assistance payments to a specific dwelling unit. Unlike the regular HCV program, which requires voucher holders to search on their own for a rental from a limited pool of available units, the

PBV program promises to establish a relatively permanent pool of housing units for income qualified program participants.

At the end of FY20, the PBV program had 55 units under contract at the new Koa'e affordable housing project in Kōloa, the Waimea Huakai Project, and at the new Pua Loke Street project in Līhu'e. The first of these units at Koa'e will begin leasing to qualified program participants in July/Aug of 2020.

Goal #3: Maintain and Expand the Family Self-Sufficiency Program

In FY20 the FSS program expanded to actively collaborate with other island wide social service agencies to assist participating families achieve economic independence and their individual goals to become self-sufficient. While our FSS Grant does not fund direct services, immediate access to available resources and agencies has proven to be imperative for participating families to successfully meet their goals and complete the 5-year program.

At the beginning of FY20, seventy-three (73) households were earning escrow savings. However due to COVID-19 and the decrease in earned income, only nineteen (19) participating families continue to earn escrow.

With the economic uncertainty and limited contact with participants due to COVID-19, FSS staff have become a highly utilized resource for our participating families who may need assistance or a referral to employment services, homeownership education, financial education, budgeting and elementary/secondary educational resources.

At the end of the year, eight (8) FSS participating families successfully completed the 5-year program and received a combined total of \$114,791 in escrow payments. Four (4) of the eight (8) families also exceeded the income eligibility requirements and no longer receive Housing Choice Voucher assistance. And two (2) of the four (4) families who no longer receive housing assistance, are now homeowners. Three (3) families did not complete the program and forfeited their combined escrow earnings of \$9,394.

B. Housing and Community Development Division

Goal #1: Construct 125 New Affordable Housing Units

Although development projects by their nature span numerous fiscal years, FY20 saw the completion of well more than 125 new affordable housing units.

- Mark Development completed 134 Affordable Housing Units at Koa'e Makana in Kōloa, where move-ins began in March of 2020.
- Construction of Habitat for Humanity's 'Ele'ele Iluna Phase II, Increment B, commenced in FY20 with 13 units completed as of January 2020. Construction of the remaining 46 units will continue through FY20 and FY21.

- In late 2019, Ahe Group began construction of the 34-unit Waimea Huakai Affordable Housing Rental Project on Habitat for Humanity’s property in Waimea. Construction is estimated to wrap up in September 2020.
- In Līhu‘e the County began construction of the 28-unit Kealuala Supportive Housing Project aimed at providing long-term supportive housing and wrap around social services for families experiencing homelessness. The project is scheduled to be ready for move-ins in October of 2020.

Goal #2: Preserve Affordable 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 continued. 17 of 20 units were completed at a total cost of \$203,743.

We unfortunately failed in our efforts to acquire the 82-unit Waipouli Courtyards rental project as that project reached the end of its required period of affordability. Accordingly, these affordable units will likely be “lost” as they are converted to market rate rentals or condominiums.

Goal #3: Generate \$25 million in economic investment

Though not entirely realized just in FY20, the following currently active development projects are estimated to generate more than \$108 million in economic activity.

Kealaula at Pua Loke	\$4.2 million
Waimea Huakai	\$16 million
Koa‘e	\$42 million
Pua Loke Affordable Housing	\$28 million
<u>Lima Ola Phase I Infrastructure</u>	<u>\$18 million</u>
Total	\$108.2 million

C. Hale Kōkua

Goal #1: Create the Hale Kōkua Office as co-location for County social services programs.

In FY20 the Hale Kōkua office opened, housing the American Job Center, Life’s Choices substance abuse prevention services, and the Housing Agency’s newly designated Homeless Coordinator. As FY20 ended the administration is taking steps to reimagine the Hale Kōkua Center as primarily a job and economic opportunity hub. Homeless support services are to be relocated to the Housing Agency, and Life’s Choices will be transferred to the Prosecutor’s Office.

Goal #2: Support Homeless Solutions via new Homeless Coordinator

In early FY20 the recently established Homeless Coordinator was engaged in providing direct walk-in service to the homeless community. We found that this direct service model with a single employee was not particularly successful in reaching a significant number of homeless individuals. Through this experience

the Agency determined that the efforts of the Homeless Coordinator would be much better utilized by providing support, coordination, and funding to the existing network of social services agencies. Accordingly, the Homeless Coordinator is now physically relocated back at the Housing Agency.

Goal #3: Empower residents to be drug free

After more than a decade of planning, we completed construction of Adolescent Treatment and Healing Center, finally providing an on-island resource for the treatment of adolescents with substance abuse and mental health disorders through both residential and outpatient treatment options.

The actual commencement of treatment services at the completed center has, however, run into difficulties as the Agency was unable to establish a successful relationship with a nonprofit operating partner in FY20. With the commencement of the Covid-19 emergency the Center was temporarily converted to a quarantine facility under the jurisdiction of the Department of Health. In parallel with this temporary repurposing of the facility. The administration elected to transfer the center from the Housing Agency to the Prosecutor's Office.

Goal #4: Provide training and access to long-term employment services

The State-run American Job Center is successfully co-located in approximately 50% of the Hale Kōkua office space. Their operations have effectively been halted, however, as a result of Covid-19.

D. Administration

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

In FY20 we have worked with the Public Information Office to produce frequent press releases regarding Agency programs such as Emergency Rental Assistance, Advisories on Eviction and Foreclosure moratoriums, and Homeless Outreach activities and resources.

We have drafted editorials on Housing issues for the Garden Island newspaper, participated in numerous public meeting with Neighborhood Associations, the Līhu'e Business Association, Kaua'i Board of Realtors, and nonprofit advocacy groups.

We are also working to more regularly update the Housing Agency website to ensure that it provides relevant, up to date, and useful public information.

Goal #2: Support Legislative Policies that Support Affordable Housing

The Housing agency prepared a state legislative package of three bills as part of Senator Schatz's state-wide affordable Housing Task Force. Unfortunately, none of Kaua'i's proposed bills were included in the final package floated at the state legislature.

On the County level the Housing Agency did, however, meet a long-term goal of presenting amendments to the current County Housing Policy. The Agency's amendments, sponsored by Housing Committee Chair Kualii and Council Chair Kaneshiro, were introduced in January of 2020 and have undergone extensive review in multiple committee hearings. It is expected that the package of amendments will be passed and enacted in FY21.