



Kalepa Village Apartments, Hanamā'ulu, Līhu'e District

SECTOR: II. HOUSING

Declining housing affordability for locals has reached a crisis level with far-ranging social impacts. Home prices exceed 300 percent of the national average while affordable market rentals are few and far between. The lack of housing supply has been due in part to the effects of the Great Recession of 2007-2009. For almost 10 years, large-scale private development of housing has been nonexistent. Only high-end individual homes and several County-sponsored affordable housing projects were built (due to reduced land prices or prior inclusionary zoning requirements). At the household level, high housing costs cause stress, reduce disposable income, and limit transportation options. These impacts are felt community-wide. They contribute to a stressed local economy and frayed social fabric. The complexity of the housing crisis must be addressed on multiple levels if Kaua'i is to achieve its vision and become a place where housing for all ages and income levels is integrated into all communities and located close to work and services.

Understanding the High Cost of Housing

Many complex factors drive housing costs. These include slow inventory growth, limited developable land, a lengthy entitlement process, and high infrastructure and construction costs. The off-island market, willing to pay a premium for Kaua'i property, is another factor driving high costs. Recent major development on residential-zoned land, such as

Kukui'ula and Po'ipū Kai, take advantage of this market. Between January 2008 and September 2015, 45% of homes sold were purchased by mainland and foreign buyers.²² High costs are also a product of a long and uncertain entitlement process, which often requires discretionary approval at both the State and County levels. The roads, water, and wastewater infrastructure needed to service new communities

22 *Measuring Housing Demand in Hawai'i 2015-2025, 2015*

are largely funded by the development itself, which necessitates high sales prices.

Spurred by internal and external population growth, the growing number of households continues to outpace housing development. Given that there is a current deficit of 1,400 housing units, meeting the projected demand of approximately 9,000 homes by 2035 will be challenging (see Figure 3-5).

Changing the Residential Development Paradigm

New market construction may have increased housing inventory, but it has not produced the range of housing needed to serve Kaua'i's workforce. According to the *Land Use Buildout Analysis* (2015), over 80 percent of residential development is single family construction that occurs on Agriculture, Open, and R-1 through R-4 zoned land. This has exacerbated Kaua'i's low-

density development paradigm. In order to confront the housing crisis, public and private partners must work together to ensure that increases to the housing inventory will be affordable to residents.

Reducing the Cost of Living by Connecting Housing, Jobs, and Transportation

When housing is built in automobile-centric subdivisions far from schools, shopping, and jobs, residents must largely rely on personal vehicles for all their trips. Such reliance not only contributes to traffic congestion, but is detrimental to the environment and overall health of the community. Additionally, it has heavy financial impacts to the average household. It is estimated that combined housing and transportation costs consume more than 60 percent of Kaua'i's

Figure 3-5 Kaua'i's Housing Crisis



average household income.²³ In fact, transportation costs outweigh housing costs. The high cost of transportation includes automobile ownership, insurance, repair, and fuel costs. The Future Land Use Map prioritizes residential growth in towns and near the major jobs centers of Līhu'e and Po'ipū. This Map locates new communities near existing towns and requires a compact, walkable form. This land use pattern will encourage increased transit, bicycling, and walking trips, thus reducing average household transportation costs.

Moving Forward on All Fronts

The solutions needed to stem the housing crisis will not come easily nor swiftly. Many factors are out of government control, such as off-island demand and high land and construction costs. However, major changes to the regulatory process can support inventory expansion through affordable housing projects, more infill housing, and the development of new walkable communities in designated growth areas. Also required are strong partnerships and special consideration for agricultural worker housing, DHHL development, elderly housing needs, and houselessness.

1. AFFORDABLE HOUSING

Affordable housing refers to those projects funded through County support, Federal tax credits, and/or imposition on developers.

In other words, government and the developer, usually in partnership, bear the development costs to house individuals and families unable to obtain market-rate housing. Although such projects alone will never fill the housing gap, they are essential to providing a safety net and serving those most at need. Increases to the affordable housing inventory are desperately needed.

Objective: To increase housing opportunities for low to moderate income households.



1.1 Producing Affordable Housing through Mandates

In 2008, Kaua'i passed its first affordable housing ordinance, also known as inclusionary zoning. It requires developers to construct approximately 30 percent of their project as affordable housing. Similar mandates have been put in place as conditions of State Land Use District boundary amendment approvals or long range plans, such as the *Kīlauea Town Plan*. However, as of 2016, the affordable housing ordinance has not produced any affordable units. Many developers express concern that such mandates delay development and housing inventory growth, thus compounding the problem they are meant to solve. At the same time, the community does not support removing such requirements altogether. A more balanced approach is required and carefully crafted amendments to existing laws must be implemented if the desired result is production of affordable housing by the private sector.

1.2 Supporting County Sponsored or Required Affordable Housing Programs and Projects

The Kaua'i County Housing Agency implements a variety of programs designed to promote

23 Center for Neighborhood Technology (2016)

homeownership, expedite the permitting of affordable housing, and support housing rehabilitation. Sources of funds that are potentially available to address housing needs include: Low-Income Housing Tax Credits, HUD (Department of Housing and Urban Development) Housing Choice Vouchers, HOME (Home Investment Partnerships Program) and CDBG (Community Development Block Grants) programs, USDA Rural Development programs, private foundations, State CIP funds, and County Bond funds. Federal funds are very prescriptive in terms of household income categories served. In contrast, locally established and funded programs can be customized to serve those who fall between the Federal programs and market-rate units.

The Agency also plays a key role in developing affordable rental projects. A major source of capital for these projects is the Federal Low-Income Housing Tax Credit, which incentivizes the use of private equity through public-private partnerships. The tax credit provides a dollar-for-dollar reduction in the developer's federal income tax. However, use of these credits are limited to housing for families with incomes equal to or less than 60% of the median income and are limited in availability through a very competitive Statewide process.

Development subsidies also come from development grants and loans. The County's Housing and Community Development Revolving Fund reinvests income from federal grant programs in housing projects and first-time homebuyer mortgages. These capital investments will be repaid to the revolving fund which provides long-term support for County housing programs.

Federal HOME and CDBG funds also support affordable housing development. To receive federal CDBG grants, HOME program funds and other federal funding, the County is required to prepare and update a Five-Year Consolidated Plan that addresses housing and community development needs and establishes funding priorities. Other sources of funds include USDA Rural Development programs, private foundations, State CIP funds, and County Bond funds.

While the construction of new affordable housing is needed, the preservation and rehabilitation of existing affordable housing is equally important. The County should ensure that the affordability of subsidized housing is preserved for the longest term possible. Also, it is generally less expensive to rehabilitate existing affordable housing than to construct new

housing. Rehabilitation of existing housing supports and improves existing neighborhoods, and can also provide energy efficient upgrades to units.

Through active partnerships with landowners and affordable housing developers, the Housing Agency has helped move forward several 100% affordable housing projects in Līhu'e, Hanamā'ulu, Princeville, and Kōloa – constructing over 300 affordable rental units since 2000. Since the year 2000, the County has also supported self-help housing at Puhi and Kapa'a, assisted Habitat for Humanity in developing its 119 units in 'Ele'ele, and helped to rehabilitate 173 units at Līhu'e Court. The County has also acquired 22 properties and converted them to leaseholds, making them far more affordable to qualifying families than fee purchase while perpetuating their affordability indefinitely. A new initiative underway is the Lima Ola affordable housing project. This is a master-planned community that will provide over 400 affordable units in 'Ele'ele. In addition to moving forward with Lima Ola, the County should acquire land with access to transit, water, and wastewater service for future project development.

A. PERMITTING AND CODE CHANGES

1. Update the County's Housing Ordinance into a workable law requiring all developers to contribute a fair share of resources to build affordable housing in a "win-win" manner.
2. Design and locate affordable housing projects in or near job centers to minimize household transportation costs, community and household fossil fuel usage, and traffic congestion.
3. Support economically integrated communities by requiring affordable housing mandates to be met on site.
4. Amend Ordinance 860, Workforce Housing, to incentivize the creation of affordable housing development.
5. Preserve the affordable housing stock by adopting a policy that any units built with taxpayer moneys or required under the Housing Ordinance for the general welfare shall be perpetually affordable to allow the inventory of affordable homes to grow rather than contract (which happens when such units are allowed to be sold on the open market).

6. When possible, encourage the design of affordable, energy-efficient residential projects with civic spaces, shade trees, and pedestrian/bicycle amenities to enhance livability, equity, and safe transit options, especially for children.
7. For county-sponsored housing subsidized with public money, the County shall require the units to be affordable for the life of the building and the land to remain in county ownership in perpetuity.
6. Support a flexible planning process and robust monitoring system to allow timely changes in strategy and resource allocation for the housing program.
7. Develop a quasi-public housing development or redevelopment agency to support affordable housing projects, particularly infill housing development projects within town centers.
8. Pursue and establish a source of capital for the development and maintenance of affordable housing. Possible sources include: earmarking a percentage of real property taxes for affordable housing development; a conveyance tax surcharge on high-priced real estate transactions and earmarked for affordable housing development; an expanded Low Income Housing Tax Credit (LIHTC) that increases availability of the tax credit; and setting eligibility higher than the current 60 percent of median income.

B. PLANS AND STUDIES

1. Find ways to insulate affordable housing units from the market, whether rentals or for ownership, to preserve the affordability of units.
2. Review existing affordable housing requirements in plans and zoning amendments to assess impediments to affordable housing creation.
3. Assess the County's affordable housing needs and priorities through the five-year Consolidated Plan and one-year Action Plans.
4. Establish a ratio for the housing needs for workforce, elderly, and disabled households, and amend existing laws and plans as needed.
9. Continue and expand the County's efforts to provide and require homeownership classes, including financial literacy, for families potentially eligible for county affordable housing projects.
10. Review best practices from elsewhere and test in pilot programs the methods that significantly reduce the cost of building a home, including infrastructure and system costs. The Mayor and the County Council should work with community to use Hawai'i Revised Statutes Section 46-15 to "designate areas of land for experimental and demonstration projects, the purposes of which are to research and develop ideas that would reduce the cost of housing in the State."

C. PROJECTS AND PROGRAMS

1. Complete the Lima Ola affordable housing project.
2. Seek and acquire land in or near town centers with access to transit, domestic water, and sewers for future affordable housing development.
3. Create dedicated sources of funding and continue to use the Housing Revolving Fund to finance affordable housing projects.
4. Develop and rehabilitate affordable housing low-interest loan programs and awards, such as the Rental Housing Revolving Fund through the Hawai'i Housing Financing and Development Corporation.
5. Support the housing needs of low income households through the Federal Housing Assistance Payments Program (Section 8).

D. PARTNERSHIP NEEDS

1. Provide the highest level of housing and community development assistance through partnerships and non-profit organizations such as a Community Land Trust.

2. INFILL HOUSING

Infill development, or housing located within existing communities, can expand our housing inventory without consuming precious open space. It may be less expensive than “greenfield” development because it utilizes existing infrastructure and services. Infill housing has the potential to play an important role in meeting future housing needs, but only if the zoning, infrastructure, and built environment can support higher density communities. It should also be appropriately scaled to the character of individual towns.

Objective: To support mixed use, higher density, and walkable development in existing towns.



2.1 Countering the Threat of Residential Sprawl

Decentralized development or residential sprawl onto agricultural and open-zoned land erodes our rural character and town centers. Such development requires automobile dependence, which burdens our limited road network. It also incurs a greater cost per household for infrastructure and services. Expansion of this type of development will run counter to an environmentally and fiscally sustainable future. It also undermines the goal of preserving agricultural lands and the open spaces that separate towns.

2.2 Supporting Infill Development and “Missing Middle” Housing

The alternative to sprawl focuses new development in existing towns in order to leverage existing physical and social infrastructure while preserving vital open space. This fosters town centers that support infill housing and mixed use environments. For example, town centers should be centered on functional and attractive shared spaces where people can live, work, and play in the same area. Priority infill areas include the major employment centers of Līhu‘e and Kōloa. However, with the exception of hazard areas,

additional infill growth should be encouraged in all towns.

Enabling this environment means creating or adapting planning and zoning requirements in a manner that will stimulate private investment in new or renovated structures. Additional dwelling units (ADUs) (also called ‘ohana units) are one example. ADUs are smaller and less expensive to construct, offering a County-sanctioned private sector option towards increasing housing in existing communities. ADUs are allowed on residentially zoned lots where one home is permitted. Although previously permitted, new ADUs are not allowed on agricultural or open lands unless approvals were secured before 2007.

The County is also exploring whether to allow Additional Rental Units (ARU) in residential zoned areas. An ARU is a long term rental unit that includes a kitchen, bedroom(s), and bathroom facilities, attached or detached from a dwelling unit. Unlike ADUs, ARUs are restricted in size and allowed only in residentially zoned areas. ADUs are not restricted in size and were previously allowed within the Agriculture Zoning District and the Open Zoning District.

Infill development can further diversify Kaua‘i’s housing stock through “missing middle” housing in walkable communities. “missing middle” housing is characterized by small-scale, multi-unit housing types such as duplexes, fourplexes, bungalow courts, and mansion apartments, and can be integrated into communities with single-family homes.

A. PERMITTING AND CODE CHANGES

1. Allow for multi-family structures and a variety of accessory dwellings such as ‘ohana units and additional rental units within the Neighborhood Center, Neighborhood General, and Residential Community designations.
2. Facilitate the development of small-footprint homes or “tiny homes” on small lots.
3. Update zoning in and around town centers to facilitate mixed use and infill development, such as units above commercial space.
4. Streamline permit approvals for infill development and housing rehabilitation by removing barriers, such as administrative delays.
5. Incentivize infill development by reducing or eliminating tipping fees, wastewater and water

facility charges, permit review fees, and park and environmental assessment fees.

6. Update the building code to reduce construction costs and facilitate cost-saving materials and technology while maintaining health and safety.
7. Reevaluate the definition of “kitchen” to provide flexibility for multi generational housing.
8. Increase lot coverage allowances to provide for more ADUs within the residential district.

B. PLANS AND STUDIES

1. Prevent displacement of vulnerable renters through rent stabilization policies and tax incentives for long-term rentals.

C. PROJECTS AND PROGRAMS

1. Improve infrastructure and facility improvements in town centers to support a mixed use environment and increased density.
2. Hold educational sessions for landowners in Special Planning Areas to inform them of new development standards and potential infill development opportunities.

D. PARTNERSHIP NEEDS

1. Support programs that facilitate infill development and economic revitalization of town cores.
2. Collaborate with the State to review and streamline infill development projects.

3. NEW COMMUNITIES

New communities are needed to accommodate future growth. Even though infill development is prioritized, there is not enough residential zoning capacity to accommodate projected housing demand.²⁴ The General Plan’s policies and actions guide where and how these new communities will develop.

Objective: To develop compact, walkable communities consistent with the Future Land Use Map.



3.1 Designing Communities for Equity and Health

Communities that cater to a high-end market, resulting in enclaves of similar household incomes and housing types, are no longer acceptable. New communities must further the goals of sustainability, equity, and opportunity. This means that zoning and subdivision approvals for new communities must support multiple transportation options and provide shared space for a range of household types. Use of green infrastructure, which mimics natural systems and protects water quality through features such as trees and rain gardens, is also encouraged.

New communities should be walkable, built with a pattern where one can live with limited reliance on the automobile, conducive to destination walking and cycling, and with access to transit and shared spaces. Walkable areas are largely supported through a network of interconnected, tree-lined streets, a diversity of housing choices, and a mix of appropriate commercial and residential uses in a compact form. This type of compact design supports public transit and ultimately reduces infrastructure and service delivery costs to the County over the long-term.

24 *Kaua'i 2035 General Plan Technical Study: Land Use Buildout Analysis, 2015*

A. PERMITTING AND CODE CHANGES

1. Locate new communities only in areas designated for growth in the Land Use Map.
2. Avoid sprawl development patterns and inefficient infrastructure and service delivery by maximizing density in new communities.
3. Substantially increase the amount of market rate multi-family and “missing middle” housing on Kaua’i by requiring housing type diversity in all new subdivisions.
4. Increase opportunities for moderate- and low-income households to become homeowners by providing a range of housing types.
5. Build housing in proximity to jobs, parks, community resources, and services.
6. Ensure subdivisions are designed to support housing type diversity, maximize density, provide safe pedestrian/bicycle connections, and slow speed on roads.
7. Take a proactive role in supporting County zoning amendments and State Land Use redistricting consistent with the General Plan and updated Community Plans.
8. Allow higher density to increase profitability for developers, resulting in a cheaper housing per unit cost.
9. New communities should incorporate green infrastructure into their design and be water and energy efficient.
10. Require non-entitled new communities in this General Plan to attain full State and County district and zoning approvals by 2027. Require short-duration expiration dates should development not be constructed as permitted, unless stated otherwise.
11. Prohibit future subdivision and development from restricting construction of ADUs in their deed and covenants.

B. PARTNERSHIP NEEDS

1. Work with the State Office of Planning to explore large-scale State land use redistricting consistent with the General Plan and updated Community Plans.

2. Enter into public/private partnerships to move forward development in new communities, especially in Līhu‘e, South Kaua’i, and Kīlauea.
3. Leverage market-rate development to support long-term affordable housing through inclusionary zoning and other tools.

4. AGRICULTURE WORKER HOUSING

The lack of housing for farm workers is a major impediment to finding and supporting the labor necessary for agricultural enterprise. Housing units near agricultural operations reduce commuting time and deter vandalism and theft through increased surveillance.

Objective: To expand housing opportunities for workers on farms.



The Farm Worker Housing Bill²⁵ allows farm operators to build small housing units on their agricultural properties. This useful zoning change could be more widely utilized through modest improvements to the ordinance and permit application process.

A. PERMITTING AND CODE CHANGES

1. Support the development of a limited amount of housing on agricultural land for farm workers and their families by:
 - a. Improving the existing process to obtain Farm Worker Housing Permits and remove barriers to participation.
 - b. Providing outreach on the Farm Worker Housing Law to increase participation.

25 Ordinance 903, passed in 2010

5. HAWAIIAN HOME LANDS

The State Department of Hawaiian Home Lands (DHHL) owns 20,565 acres on Kauaʻi, primarily in the East Kauaʻi, Hanapēpē, ʻEleʻele, and Līhuʻe Planning Districts (see landowner maps in Appendix E). DHHL works to ensure that native Hawaiian families have homes and land to call their own.

Objective: To support the Department of Hawaiian Home Lands in their mission to provide housing to their beneficiaries.



5.1 Implementing the Kauaʻi Island Plan

DHHL defines beneficiaries as all Native Hawaiians (50 percent or more Hawaiian) and their successors, including existing lessees, applicants on the wait list, and Native Hawaiians who have not applied for a homestead award. The DHHL's mission is to develop and deliver land to Native Hawaiians. Prince Jonah Kūhiō Kalanianaʻole, who led the passage of the Hawaiian Homes Commission Act of 1921, advocated ʻāina hoʻopulapula, protecting the Native Hawaiian population. ʻĀina hoʻopulapula involves creating self-sufficiency and planning for the future through investing in resources, such as education and housing.

The DHHL *Kauaʻi Island Plan* (2004) designates three priority tracts for residential development: Wailua, Hanapēpē, and Anahola/Kamalomalō. These areas can accommodate a total of 2,351 residential lots of 10,000 square feet each, along with 84 acres of community space. Of high priority is a total of 621 lots to be developed across the three areas. Anahola is currently under development, but buildout has been slower than expected. Wailua will be the next priority area, although there is no timetable for development. The General Plan Land Use Maps incorporate the DHHL high priority growth areas.

As of 2014, there were a total of 1,621 applicants on

DHHL's Kauaʻi waitlist.²⁶ The 2008 DHHL Lessee Survey (prepared by SMS Research) found prevalent issues on homestead lands: overcrowding, aging infrastructure and homes, and the inability of homesteaders to finance expansion and repairs. The high costs of construction on Kauaʻi also make even simple homes out of reach for many DHHL beneficiaries.

A. PERMITTING AND CODE CHANGES

1. Prior to the issuance of development and subdivision approvals, building permits, and other discretionary approvals for actions that may impact water sources that could also serve or impact the water needs of DHHL, consult with DHHL regarding their projected water needs and other rights to water under the public trust, such as those described or referenced under Hawaiʻi State Constitution Art. XII § 1; Hawaiʻi Revised Statutes §§ 168-4, 171-58, and 174C-49; Hawaiian Homes Commission Act §§ 220 and 221; and interpretive case law.

B. PLANS AND STUDIES

1. Integrate the recommendations of DHHL plans into community planning.

C. PROJECTS AND PROGRAMS

1. Partner with DHHL on infrastructure projects that will support development of both County and DHHL priority growth areas.
2. Partner with DHHL to relocate the Wailua Wastewater Treatment Plant out of the tsunami zone and to support future residential development on DHHL land.

D. PARTNERSHIP NEEDS

1. Respect and support the mission of DHHL to prioritize planning for their beneficiaries.

²⁶ DHHL Applicant Waiting List, 2014. The 2008 DHHL Lessee Survey (prepared by SMS Research)

6. ELDERLY HOUSING AND ASSISTED LIVING FACILITIES

On Kaua'i, kūpuna (the Hawaiian word for elders or grandparents) are honored for their life experience and wisdom. Kaua'i has a relatively high median age and a higher percentage of older adults than the State as a whole. Many older residents are retired or semi-retired, and have more limited income streams than working adults. Adequate and affordable housing is a significant component in overall quality of life for elderly people. Of particular importance is the supply of affordable rental housing for seniors.

Objective: To accommodate the needs of an aging population through age-friendly community design and assisted living facilities.



6.1 Ready for “The Silver Tsunami”

A significant demographic shift is occurring on Kaua'i. Kaua'i County already has the highest proportion of older adults compared to its total population of any County in Hawai'i.²⁷ The proportion of Kaua'i residents over 65 years is projected to rise from 10 percent in 2010 to 30 percent in 2035, which will effectively double the number of older adult households on Kaua'i. The impacts of an aging population include increased demand for healthcare and social services. It also places a strain on the workforce – especially if the workforce growth is stagnant.

6.2 Supporting Kūpuna-Friendly Communities

One of the State's goals for Hawai'i's aging population is to, “Enable older adults to remain in their own homes with a high quality of life for as long as possible through the provision of home and community based services, including supports for family caregivers.”²⁸ This goal, also known as “Aging in Place,” is best served by having senior housing near social and

medical services, shopping, and basic services.

Unfortunately, development patterns and zoning laws are sometimes barriers to kūpuna-friendly communities. Most homes are segregated from commercial areas and require automobile trips to shopping and medical services. Many neighborhoods do not have safe connections for walking with supportive devices, such as a cane or wheelchair. There are many neighborhood parks that do not have accessible outdoor gathering spaces for kūpuna to meet and gather in a shady place.

CLOSE TO ONE THIRD OF KAUA'I'S POPULATION WILL BE 65 AND OVER IN 2035

Zoning and development standards must be updated so new communities are designed to allow kūpuna to age in place. We need to increase alternatives for older adults to “downsize” in the communities in which they live, reside in multigenerational households, and have options to move to high-quality assisted living facilities.

A. PERMITTING AND CODE CHANGES

1. Provide additional housing and assisted living facilities for Kaua'i's increasing elderly population by:
 - a. Increasing the supply of housing that is affordable, accessible to services, and promotes aging in place.
 - b. Allow multigenerational housing that accommodates family home care situations.
 - c. Revising development standards to facilitate approval of assisted living units and continuing care communities.
2. Integrate universal design standards into Kaua'i's building code.

B. PROJECTS AND PROGRAMS

1. Regularly convene a Kaua'i Houseless Solutions Summit to develop collaborative short-term homeless solutions involving Kaua'i's faith-based community with support from health and human service organizations and County and State agencies.

C. PARTNERSHIP NEEDS

1. Provide and anticipate increasing services to the elderly and their caregivers, including access to transit, nutrition services, fitness programs, and personal care.

27 Hawai'i State Plan on Aging, 2011

28 Hawai'i State Plan on Aging, 2011

7. THE HOUSELESS POPULATION

By providing a range of housing types, including affordable rentals, Kaua'i can help families and individuals reduce the time spent being houseless.

Objective: To reduce Kaua'i's population of those houseless and at risk for houselessness.



7.1 Addressing the Increasing Number of Houseless People

The Homeless Utilization Report (2014) identified 378 houseless individuals on Kaua'i. Of this total, 300 were unsheltered, and 78 had temporary shelter. Kaua'i participates in the State of Hawai'i Department of Human Services and Homeless Programs Office Continuum of Care program. State agencies are primarily responsible for outreach to houseless people and have a range of services including emergency/transitional shelters, permanent supportive housing, rapid re-housing, homeless prevention, and a Housing First Program.

7.2 Providing Homes for the Houseless

The housing needs of disadvantaged groups are documented in the *State of Hawai'i 2015-2020 Consolidated Plan*. This plan includes data from the Partners in Care Information Center, Point-in-Time Count Reports, review and consultation of various plans, public input, and surveys conducted. Kaua'i County has identified the need for a range of housing types for persons with disabilities, substance abuse, and HIV/AIDS. These include affordable rental and permanent housing, as well as transitional and group home facilities with medical and other support services. The General Plan supports focusing State resources on securing shelter for houseless families with children, youth, people with disabilities, women, and veterans.

A. PERMITTING AND CODE CHANGES

1. Allow managed micro-housing developments or camp sites for the houseless.
2. Allow development of Single Resident Occupancy unit projects.

B. PLANS AND STUDIES

1. Support the implementation and update of the *Kaua'i Houseless Solutions Summit Plan*.

C. PROJECTS AND PROGRAMS

1. In addressing homelessness, adopt and implement the Housing First approach to reduce and ultimately eliminate homelessness.

D. PARTNERSHIP NEEDS

1. Support the development and expansion of shelters to increase temporary housing for the houseless and other at-risk populations.
2. The Mayor and the County Housing Agency shall work with the State of Hawai'i Department of Human Services and nonprofit community to implement a robust Housing First program that provides 24/7 wrap-around services and makes available transitional and permanent housing for all houseless persons who desire such housing.
3. Identify partnership opportunities with landowners and community organizations to accommodate sheltering and transitional housing needs for houseless populations and people with disabilities.
4. Develop a coordinated, integrated system of services that facilitates entry, offers wraparound services, and supports system exit when appropriate.
5. Provide transportation to enable the houseless to access services (offer rides, bus vouchers, pay as you go card, or other options).
6. Support rehabilitation programs for the houseless.
7. Prioritize resources for houseless families with children, youth, women, veterans, and people with disabilities.

8. IMPACT OF RESORT USES ON HOUSING INVENTORY

The spread of resort uses, especially transient vacation rentals (TVRs), into residential areas outside of visitor destination areas (VDAs) significantly altered many established communities - especially in places like Hā'ena and Hanalei where the resident population declined when homes were converted to TVRs.

Objective: To reduce the impact of resort uses on communities outside the Visitor Destination Area.



8.1 Improving Enforcement of Non-Conforming Resort Uses

Large concentrations of non-conforming TVRs negatively impact residential neighborhoods. The displacement of low- to moderate-income households changed the social character of traditional neighborhoods. Once they were close-knit places, where neighbors knew each other. Today, the transitory occupancy of these neighborhoods are more vulnerable to crime, noise, and illegal parking. Hā'ena, Hanalei, 'Anini, and the Ho'ona Street Neighborhood in Po'ipū are especially affected by large concentrations of non-conforming TVR.

Starting in 2008, the County addressed the proliferation of TVRs through a series of zoning amendments and stepped-up enforcement. TVRs are no longer allowed outside of the VDA, except for the approximately 400 units that are "grandfathered" via a non-conforming use certificate that requires annual recertification. Despite this effective "cap" on non-VDA TVRs, there are still outstanding concerns regarding residential character, public safety, and tax equity.

8.2 Ensuring Tax Equity for Resort Uses

All TVRs should pay transient accommodation, real property, and general excise taxes at a rate consistent with other resort uses. This is to ensure

fairness in accounting for visitor-related impacts and contributing to State and County revenue.

A. PERMITTING AND CODE CHANGES

1. Reduce the impact and number of transient vacation rentals and similar uses, such as Bed & Breakfasts, in the communities outside the VDA by:
 - a. Continuing aggressive enforcement against illegal TVRs.
 - b. Supporting attrition and amortization of non-conforming TVRs, especially in high hazard areas.
 - c. Monitoring and enforcing laws against new types of transient rentals facilitated by sharing economy websites, such as Airbnb and VRBO.
 - d. Creatively exploring ways to use the tax code for enhanced compliance of non-conforming TVRs.
2. Set fines and taxes on illegal and legal vacation rentals respectively that remove homes from the local residential market supply. The penalties should be high enough to deter illegal use.

