

May 13, 2019

MEMO TO: Affordable Housing Committee

F R O M: Tasha Kama  
Committee Chair / Councilmember



SUBJECT: **KAUA'I INAUGURAL HOUSING SUMMIT** (AH-17(8))

On February 22, 2019, the County of Kaua'i held its first housing summit. At my request, Executive Assistant Dust attended this summit in my stead. The Department of Housing and Human Concerns (DHHC) sent two staff members, Housing Administrator Buddy Almeida and Assistant Housing Administrator Linda Munsell (now Deputy Director) to this summit. This memorandum contains the combined assessment of the summit from Maui County attendees.

The summit included two general panel sessions and a single breakout session (in which attendees chose one of four groups for participation). The general panel sessions were:

1. What is Affordable Housing and What is the County's Role?
2. How Does the County Achieve Affordable Housing?

The four breakout sessions were:

1. A Look at the Housing Policy
2. Land and Infrastructure Required
3. The State of Homeless in Kaua'i
4. Rental and Program Opportunities

The facilitators of the breakout sessions reported back to the attendees on the ideas generated during the breakout.

Prior to the panel sessions, the County's Housing Authority Director, Kanai Ku, welcomed those in attendance and used a commonly-used phrase, "low hanging fruit" to summarize the goal of the summit. She also noted that delivering affordable housing was something that the County could not do alone – it is the result of actively partnering with non-profits, for-profits, other agencies and the community.

Kauai Mayor Derek S.K. Kawakami was the first speaker. He noted that affordable housing was the top priority for the County. He indicated that the overall lack of housing was tied to a unfriendly business environment and that the County knows it needs to work with the private sector and recognize the economics of housing provision. He noted that the County provides \$6Million of

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rental subsidies, primarily through the Section 8 program. He noted that the County would be focusing on its underutilized real estate and help to address the land and infrastructure cost. He welcomed the Ohana Zones program and its hopes of providing permanent, supportive housing.

### **What is Affordable Housing and What is the County's Role**

This panel included County staff and non-profit participants presenting on the definition of affordable housing and the county's role in providing it.

The information presented in this panel was similar to that we experience on Maui:

- Steven Franco, Kauai County Housing Development Coordinator, noted that most of the housing demand on Kauai is for the under 60% AMI income group followed closely by the 60-80% AMI group.
- Marie Williams, Kauai County Long-Range Planning, noted that the County expects to grow by 20,000 people over the coming 20 years. In the past 7 years, 54% of the island's population growth was the result of international migration while 42% of the growth was from natural increase.
- Gary Mackler, who served on the Special Action Team on Affordable Rental Housing, noted that there is a state-wide housing crisis. Examining the issue, the best short-term option to provide more affordable housing was to use existing State and County lands. He noted that to address the issue, the community needs to address the three pillars of housing development – land, infrastructure and financing.
- Crystal Caday-Bargayo, representing Catholic Charities Hawai'i, Kaua'i Office, noted that to address the homelessness issue there needed to be three things: affordable housing, health and human services, and public safety.
- Lyle Tabata, County Engineer, who served on the Hawai'i Interagency Council for Transit-Oriented Development, noted that addressing the infrastructure issues was key for affordable housing – housing needs water, waste treatment and transportation. Selecting locations with access to water, waste treatment and transportation infrastructure was key to the provision of affordable housing.

This panel was asked several questions including what they saw as the greatest need from the private for-profit developers; the majority response was

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greater communication and collaboration between the public sector and the private sector. For example, County staff suggested that the private sector developers should communicate what they need to be able to deliver affordable housing and that the County was open to public-private partnerships to deliver affordable housing.

The panel discussed the income limits, which HUD provides annually for various area median income (AMI) levels for Kauai County. The for-sale price limits, which assumes 30% of gross income is available for housing, and the rental rate limits are both calculated using the HUD data.

The 2016 Hawaii Housing Planning Study, which is currently being updated, is used to help determine the needs of the County for the various income levels and project the housing demand. The data in the study used to determine demand includes a number of factors, including births, deaths, and migration (both into and out of the County).

The Special Action Team on Affordable Rental Housing was established pursuant to act 127, SLH2016 to develop 22,500 affordable rental units statewide for families earning up to 140% AMI. They were tasked with recommending actions to increase the supply of rental housing, including developing a 10 year plan that identifies lands suitable for housing units and establishing performance measures and recommendations for achieving the Action Team goals.

This panel briefly discussed the Hawaii State Framework to Address Homelessness which was developed by the Hawaii Interagency Council on Homelessness with broad representation from state and county government, as well as the community.

The Hawaii Interagency Council for Transit-Oriented Development was discussed. Part of their strategic plan is to facilitate the development of TOD projects, including affordable and rental housing on State lands specifically. A list of Kauai TOD projects was provided.

### **How Does the County Achieve Affordable Housing?**

This panel included one County staff member, two private-sector for-profit developers and one non-profit developer.

Some of the ideas presented by the panel are similar to ones discussed on Maui and others are new:

- Doug Haigh, County Chief of Building Division, noted that Kauai was the first County in the State to implement 100% electronic plan review which provides time savings in the review process and the simultaneous review of plans by the agencies involved. He also noted

that the County provides fee exemptions for affordable housing projects on a sliding scale (50% to 100% depending on income target for the project). The County, throughout the entire organization, provides expedited review for affordable housing projects.

- Joelle Chiu, Project Manager of 'Ahe Group, noted that "Ahe Group is a for-profit, affordable-only developer of rental housing. They seek true public-private partnerships for properties where the zoning and permitting are aligned with the project goals. They rely on the property tax exemption to make their projects work; it is advantageous that this exemption runs for the entire duration of the affordability agreement. She noted that the County's Housing Authority was particularly skilled in leveraging resources; they know how to gear financing to match the tax code requirements. They are not afraid to embrace new processes and approaches. Of particular note is that, on average, Kauai County has helped to deliver new affordable housing projects from RFP to project delivery in 14 months. She noted that the RFP is key to that rapid delivery.
- Milani Pimental, Deputy Director of Kaua'i Habitat for Humanity, noted that County partnerships with Habitat were key to the delivery of 150 houses around the island. Habitat has been able to use CDBG funding for off-site infrastructure required. Home Investment Partnerships Program (HOME) loans have been used to pay for up to 60% of infrastructure costs; these loans are carried at 0% interest. Habitat's target is below 80% AMI. They are achieving a 15 month schedule from closing on property to producing housing.
- Craig Watase, President of Mark Development, Inc., discussed his experience as a for-profit affordable housing developer. He noted that they would not be able to deliver affordable housing without the County's Housing Agency. The passion to help the community with affordable housing has to start at the top of the organization. He noted that Low Income Housing Tax Credits are key for low income rental developments but there is also the provision for converting rentals into owner-resident units that should be explored.

This panel was also asked several questions. Among the questions, the panel was asked if they believed that inclusionary zoning (e.g. Maui County's workforce housing code) worked. Most of the panel deferred on answering the question but Craig Watase was emphatically opposed to inclusionary zoning. Craig asked why the burden for affordable housing fall on any new development being proposed.

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The panel was also asked if fee waivers and fast-track permitting was enough to produce affordable housing? All of the panelists noted that it was a requirement but other incentives/conditions were needed in addition to waivers and fast-tracking. Joelle noted that Kauai County gets “it right.” They also mentioned was that Kauai has implemented an electronic plan review, which greatly improved the process.

The Ahe Group, an affordable housing developer, spoke about having a true public/private partnership with the County at all levels of County Government, and that the County housing office was knowledgeable about the development process.

### **Breakout Sessions**

We split up to cover three of the four breakout sessions. Buddy attended the “A Look at the Housing Policy” session. Linda attended the “Land and Infrastructure Required” session. Evan attended the “The State of Homelessness in Kaua’i” session.

#### A Look at the Housing Policy

The participants of this session spent most of the time asking how the Maui County inclusionary zoning policy (MCC 2.96) worked, and whether we felt that this program was effective. Buddy shared the history of the ordinance and how the ordinance eventually changed from a 50% requirement to a 25% requirement. He also relayed that no units were built under the 50% requirement, but that we were starting to see units built in recent years. He also relayed that we did see a significant number of projects proposed under the state 201H process (an experience that Kauai has not had) because although the affordable component is 51%, the developer could also ask for exemptions from certain County requirements and costs, making it financially feasible.

#### Land and Infrastructure Required

The participants in this session opened by quizzing Linda about “show me the water” and whether it was true that Maui County put the cost of providing infrastructure on developers. Most of the rest of this session centered around “where” Kauai should build housing, and became a very specific discussion of geographical areas and parcels specific to Kauai.

The bottom line take away from this session was that infill projects and projects closest to existing infrastructure would be Kauai’s priority areas for development.

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This strategy was intended to control the cost of building new roads, decrease traffic issues caused by building outside the significant business areas, as well as helping to keep the cost of developing water and sewer infrastructure as low as possible.

Universally the cost of developing infrastructure was cited as a significant barrier to building housing, and building outside these areas drove the cost up exponentially.

#### The State of Homelessness in Kaua'i

This breakout group was a cross-section of those interested in addressing the homelessness issue on Kaua'i, those currently serving the homeless community and those seeking more information on the issue.

This breakout discussion included:

- The Ohana Zones initiative;
- The number and nature of the homeless;
- The challenges of the current operation of shelters (“first-come, first-served”), and;
- The issue of mental illness and drug abuse in the homeless population.

Mayor Kawakami visited this breakout session. He noted that he is committed to addressing homelessness by providing temporary employment with the County for homeless individuals wishing to work. A lunch break would be provided and social services agencies would be available to engage with these individuals to provide guidance and assistance.

One main takeaway from a post-breakout discussion is that Kaua'i is not farther along in developing an Ohana Zone project than Maui. The representative from Hawaii Catholic Charities noted that they would like to see the Governor extend the time period for the Ohana Zone funding to allow Kaua'i to finish its project development.

#### *Acknowledgement:*

*We acknowledge the assistance of Deputy Director Linda Munsell and Housing Administrator Buddy Almeida in the preparation of this memo and thank them for their assistance.*



**2019 Inaugural  
Kaua'i Housing Summit  
Friday, February 22, 2019; 9:00 AM to 3:00 PM  
Kaua'i Veterans Center, Lihu'e, Kaua'i**



The 2019 Inaugural Kaua'i Housing Summit will inform attendees about the County's initiatives to develop affordable housing and will seek to identify solutions, resources, and partnerships, and that furthers the development of affordable housing for our residents.

### **AGENDA**

- 8:00** Registration and Refreshments
- 8:45** Please Begin to Take Your Seats
- 9:00** Welcome Message  
Housing Director Kanani Fu and the Honorable Mayor Derek S.K. Kawakami
- 9:15** **What is Affordable Housing and What is the County's Role?**  
Moderator: Michael Dahilig, County Managing Director  
Panelist:
- Steven Franco, County Housing Development Coordinator: What is Affordable Housing and Kaua'i's Demand?
  - Marie Williams, County Long Range Planner: The General Plan Framework for Housing
  - Gary Mackler, Member of the Special Action Team on Affordable Rental Housing: Affordable Rental Housing Report and Ten-Year Plan
  - Crystal Caday-Bargayo, Catholic Charities Hawai'i, Kaua'i Office and Member of the Hawai'i Interagency Council on Homelessness: Hawai'i State Framework to Address Homelessness
  - Lyle Tabata, County Engineer and Member of the Hawai'i Interagency Council for Transit-Oriented Development: Strategic Plan for Transit-Oriented Development
- 10:30** BREAK
- 10:45** **How Does the County Achieve Affordable Housing?**  
Moderator: Michael Dahilig, County Managing Director  
Panelist:
- Doug Haigh, County Chief of Building Division: County Initiatives that Supports Development
  - Joelle Chiu, Project Manager of 'Ahe Group: What Attracts Affordable Housing Development on Kaua'i From a For-Profit Perspective
  - Milani Pimental, Deputy Director of Kaua'i Habitat for Humanity: What Attracts Affordable Housing Development on Kaua'i From a Non-Profit Perspective
  - Craig Watase, President of Mark Development, Inc.: A Successful Partnership to develop Koa'e Makana
- 12:00** LUNCH (provided)



**2019 Inaugural  
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- 1:00**            **Where are the Partnership Opportunities?**  
Breakout Session (see below for options)
- 2:00**            Regroup and Present Feedback from Breakout Session
- 2:45**            Closing Remarks

### **Breakout Session Options**

Please choose and attend one of the following Breakout Session:

**A Look at the Housing Policy:** Is the County's Housing Policy working? Participants will discuss the Housing Policy and provide recommendations and amendments for improvement.

Facilitators: Kaaina Hull and Gary Mackler

**Land and Infrastructure Required:** Securing developable land with adequate infrastructure remain the costliest and timeliest factors of developing affordable housing. What lands should the County focus our development efforts on? What infrastructure issue should the County focus efforts on resolving first? Participants will decide and formulate a strategy to resolving the infrastructure issue chosen.

Facilitator: Michael Dahilig

**The State of Homelessness in Kaua'i:** Governor David Ige issued a supplementary emergency proclamation for homelessness aimed to accelerate the completion of housing projects and expand shelter capacity and access to services. What are the opportunities on Kaua'i while under the emergency proclamation?

Facilitators: Nalani Brun and Crystal Caday-Bargayo

**Rental and Program Opportunities.** The Housing Choice Voucher (HCV) program provides 670 rental vouchers that generate approximately \$6 million annually to private landlords. The HCV program is gearing up to open its waitlist and would like to expend 750 rental vouchers in 2019. However, the challenge has been the lack of rental inventory available. Statistics show that 30%, or 1 in 3 households, fail to lease up in a timely manner and thus risk losing their rental voucher. Where are the rental units and what can we do to support our HCV participants to secure rental units? Participants will emerge with strategies to encourage landlords to participate in the HCV program.

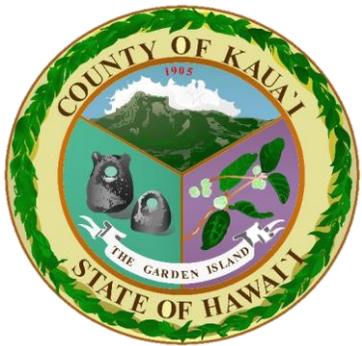
Facilitators: Jennifer Toguchi and Steven Franco

# 2019 Inaugural Kaua'i Housing Summit

Friday, February 22, 2019

Kaua'i Veterans Center

County of Kauai



# Panel 1: What is Affordable Housing and What is the County's Role?

Moderator: Michael Dahilig, County Managing Director

## **Panelist:**

- Steven Franco, County Housing Development Coordinator: What is Affordable Housing and our Demand?
- Marie Williams, County Long Range Planner: The General Plan Framework for Housing
- Gary Mackler, Member of the Special Action Team on Affordable Rental Housing: Affordable Rental Housing Report and Ten-Year Plan
- Crystal Caday-Bargayo, Catholic Charities Hawai'i, Kaua'i Office and Member of the Hawai'i Interagency Council on Homelessness: Hawai'i State Framework to Address Homelessness
- Lyle Tabata, County Engineer and Member of the Hawai'i Interagency Council for Transit-Oriented Development: Strategic Plan for Transit-Oriented Development

# What is Affordable Housing?

Under the Housing Policy, the terms “workforce housing” and “affordable housing” refer to housing affordable to households that earn up to 140% AMI.

- INCOME LIMITS: HUD annually provides the area median income (AMI) for Kaua‘i County and the income limits, by household size, for households that earn 30%, 50%, 60%, and 80% of AMI. The Housing Agency interpolates HUD’s income limits and methodology to calculate income limits, by household size, for households that earn 100%, 120%, and 140% of AMI.
- FOR-SALE PRICE LIMITS: Assumes 30% of gross income is available for housing cost. The Housing Agency interpolates HUD’s income limits and a formula prescribed in the Housing Policy to calculate for-sale price limits.
- RENTAL RATE LIMITS: Assumes 30% of gross income is available for housing cost. The Housing Agency interpolates HUD’s income limits and methodology to calculate rental rate limits.

## COUNTY OF KAUAI 2018 ANNUAL INCOME LIMITS

Effective: 4/26/2018

Kauai Median Household Income: \$87,000

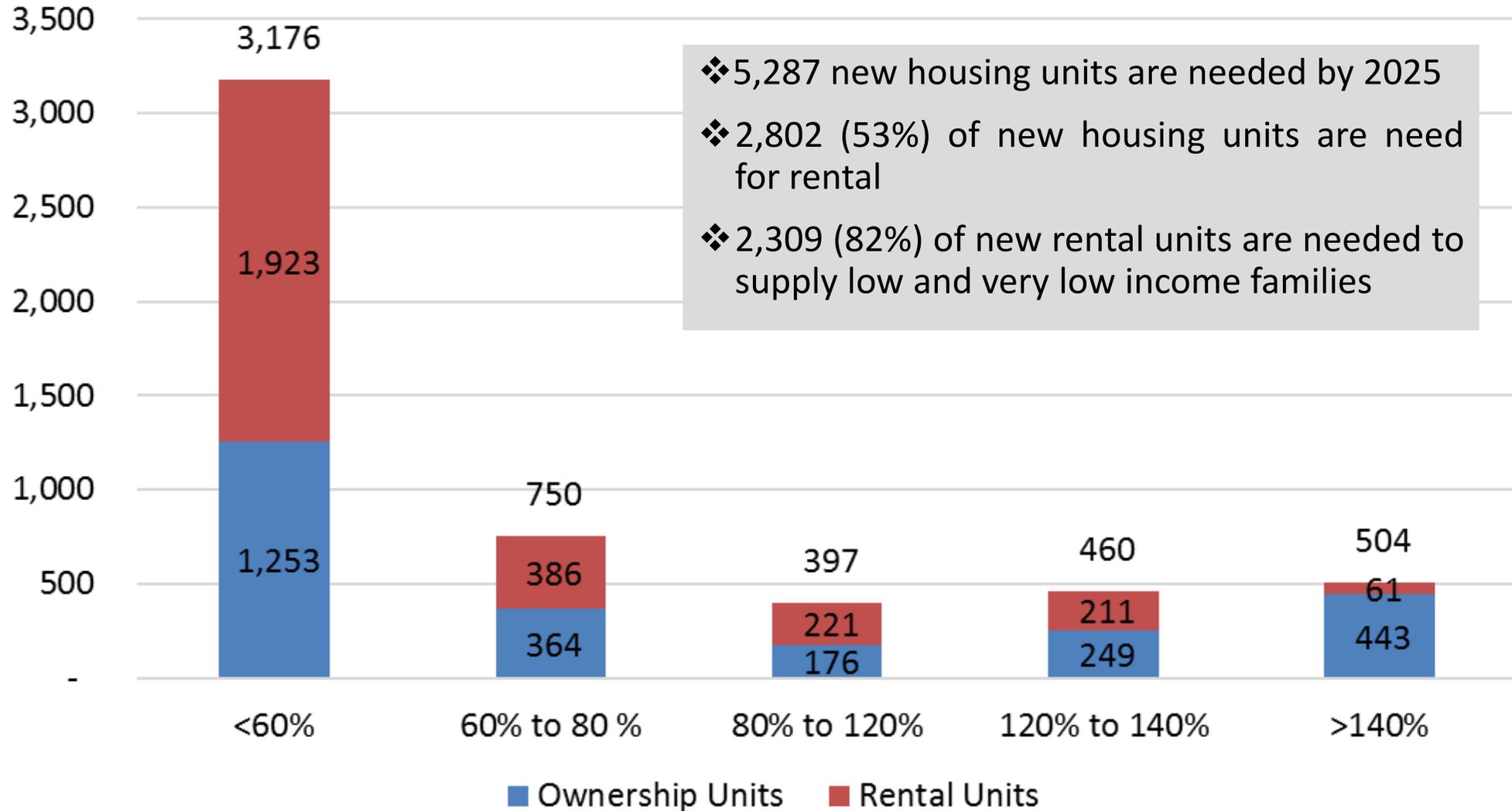
Household Size:	1	2	3	4	5	6	7	8
<b>HUD Income Limits*:</b>								
30% Limits (Extremely Low)	18,550	21,200	23,900	28,900	33,850	38,850	43,800	48,750
50% Limits (Very Low)	30,850	35,250	39,650	44,050	47,600	51,100	54,650	58,150
60% Limits	37,050	42,300	47,600	52,900	57,150	61,350	65,600	69,800
80% Limits (Low)	49,350	56,400	63,450	70,500	76,150	81,800	87,450	93,100
<b>Workforce Housing Income Limits*:</b>								
100% Limits	60,900	69,600	78,300	87,000	94,000	100,950	107,900	114,850
120% Limits	73,100	83,550	94,000	104,400	112,800	121,150	129,500	137,850
140% Limits	85,300	97,450	109,650	121,800	131,550	141,300	151,050	160,800
<b>Gap Group Income Limits*:</b>								
160% Limits	97,450	111,350	125,300	139,200	150,350	161,450	172,600	183,750
180% Limits	109,600	125,300	140,950	156,600	169,150	181,650	194,200	206,700

\*Annual income limits are rounded upwards to the nearest \$50

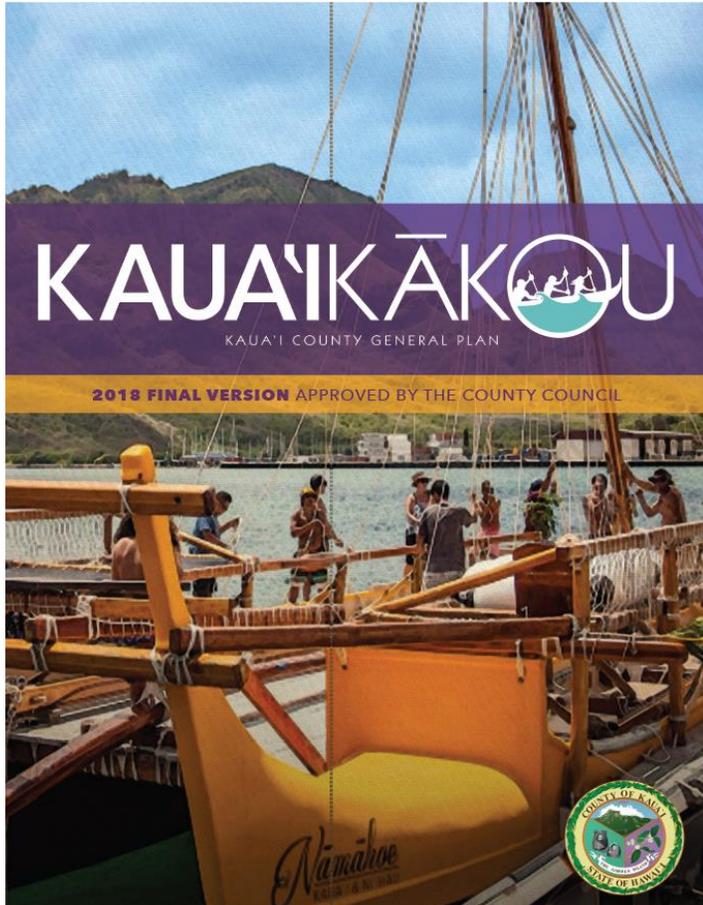
Updated Annually and available at [www.kauai.gov/housing](http://www.kauai.gov/housing)

# Kaua'i's Housing Demand by HUD Income Guideline, 2015-2025

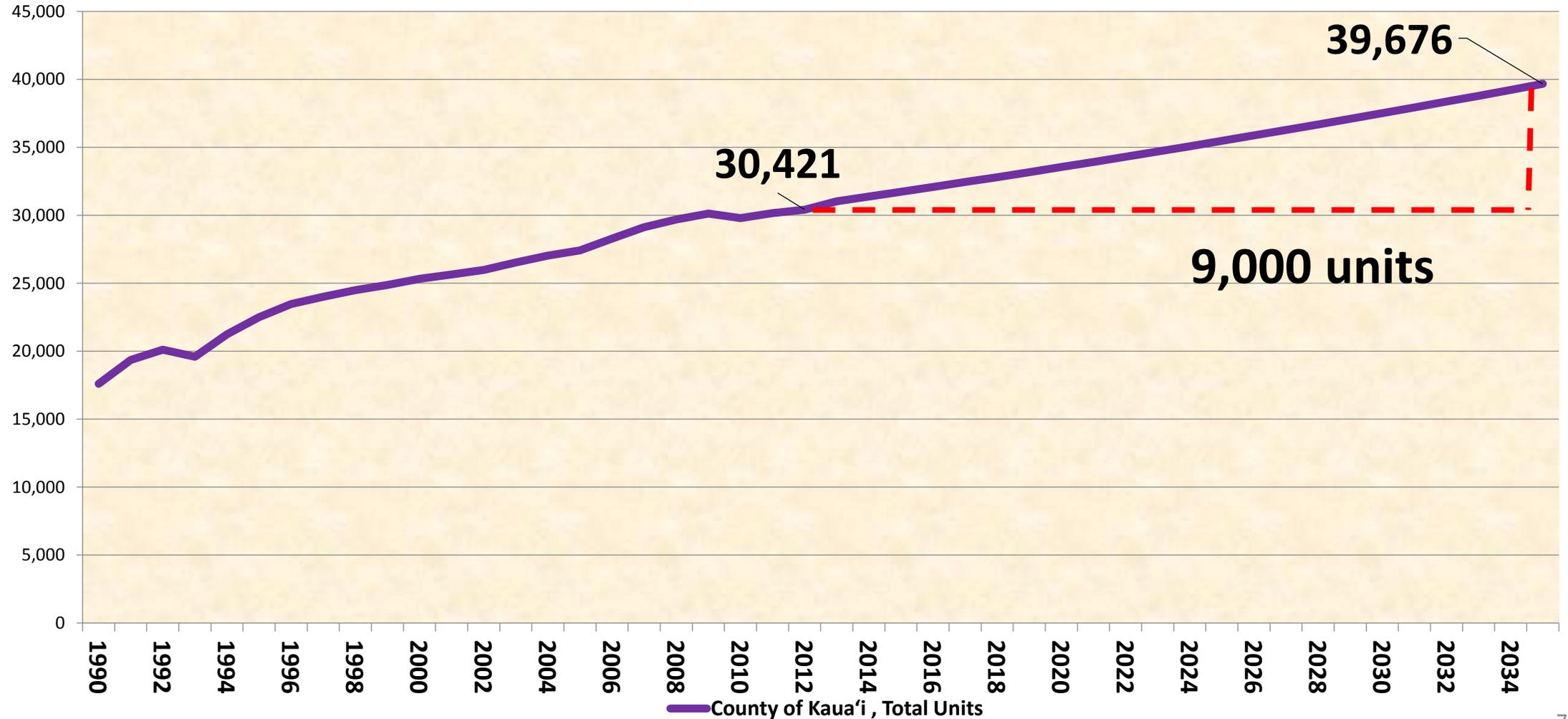
HAWAII HOUSING PLANNING STUDY, 2016



# The General Plan Framework for Housing



# Projected Housing Demand

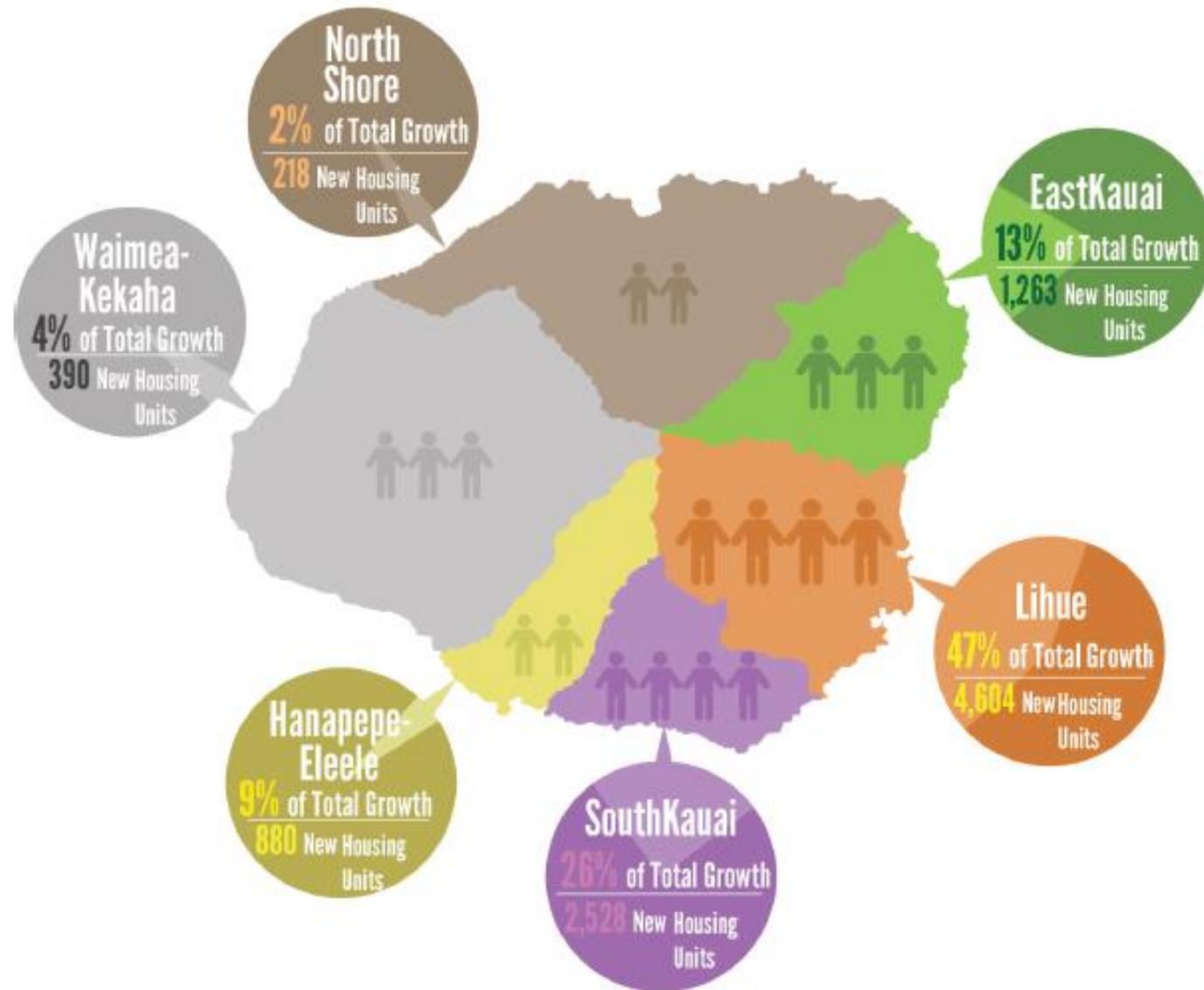


# Growth Factors

## KAUA'I COUNTY COMPONENTS OF CHANGE (2010-2017)



# Housing Demand by District, 2015-2035



# The Actions (Housing Sector)

1. Affordable Housing

2. Infill Housing

3. New Communities

4. Agriculture Worker Housing

5. Hawaiian Home Lands

6. Elderly and Assisted Living Facilities

7. The Houseless Population

8. Impact of Resort Uses

# Special Action Team on Affordable Rental Housing

## AFFORDABLE RENTAL HOUSING REPORT AND TEN-YEAR PLAN

Special Action Team on Affordable Rental Housing  
Report to the Hawai'i State Legislature, in Response  
to Act 127 (Session Laws of Hawai'i 2016)

July 2018  
Honolulu, Hawai'i



PREPARED BY:  
THE OFFICE OF PLANNING  
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND  
TOURISM  
STATE OF HAWAII

- Established pursuant to Act 127, SLH2016
  - Develop 22,500 affordable rental units statewide for families earning up to 140% AMI
  - Establish the Special Action Team to recommend actions to increase the supply of rental housing.
- Duties of the Special Action Team
  - Develop a ten-year plan that identifies lands suitable for housing units
    - Establish performance measures and recommendations on how to achieve completion of 22,500 units statewide by December 31, 2026
  - Special Action Team sunsets on December 31, 2019

# High-Priority parcels for Affordable Rental Housing, Tier 1 Public Parcels

<i>County of Kaua'i</i>						
TMK	Owner	Project	Developable Acres		Potential Units	
			Min	Max	Min	Max
4-5-015:030	State of Hawai'i Lessee: Richard Abigania	Hauaala Road (Kapa'a)	1.00	2.00	4	6
4-6-014:030	State of Hawai'i	Hundley Heights	1.50	1.50	20	30
3-6-002:005	State of Hawai'i	Lihu'e Old Police Station	1.01	1.01	20	20
3-8-005:028/29	County of Kaua'i	Pua Loke (Lihu'e)	1.47	1.47	40	50
2-1-001:054	County of Kaua'i	Lima Ola Phases 1 and 2	46.00	46.00	217	217
<b>Total</b>			<b>50.98</b>	<b>51.98</b>	<b>301</b>	<b>323</b>

Ten-Year Plan available at: [http://files.hawaii.gov/dbedt/op/spb/AffordableRentalHousingReport\\_10YearPlan.pdf](http://files.hawaii.gov/dbedt/op/spb/AffordableRentalHousingReport_10YearPlan.pdf)

# Hawai'i Interagency Council on Homelessness

The Hawai'i Interagency Council on Homelessness (HICH) is an advisory body that serves as a statewide homelessness planning and policy development entity with broad representation from state and county government and the community.

## Hawai'i State Framework to Address Homelessness

### Affordable Housing

Build more permanent housing and maximize the use of rental subsidies and vouchers to better utilize existing inventory.

### Health & Human Services

Implement data-driven and evidence-based services that emphasize permanent housing placement.

### Public Safety

Maintain safety in public spaces for all members of the community. When unsheltered persons are encountered, ensure they are quickly connected to housing and human services.

### GOAL: A "HOUSING FIRST" SYSTEM BY 2020

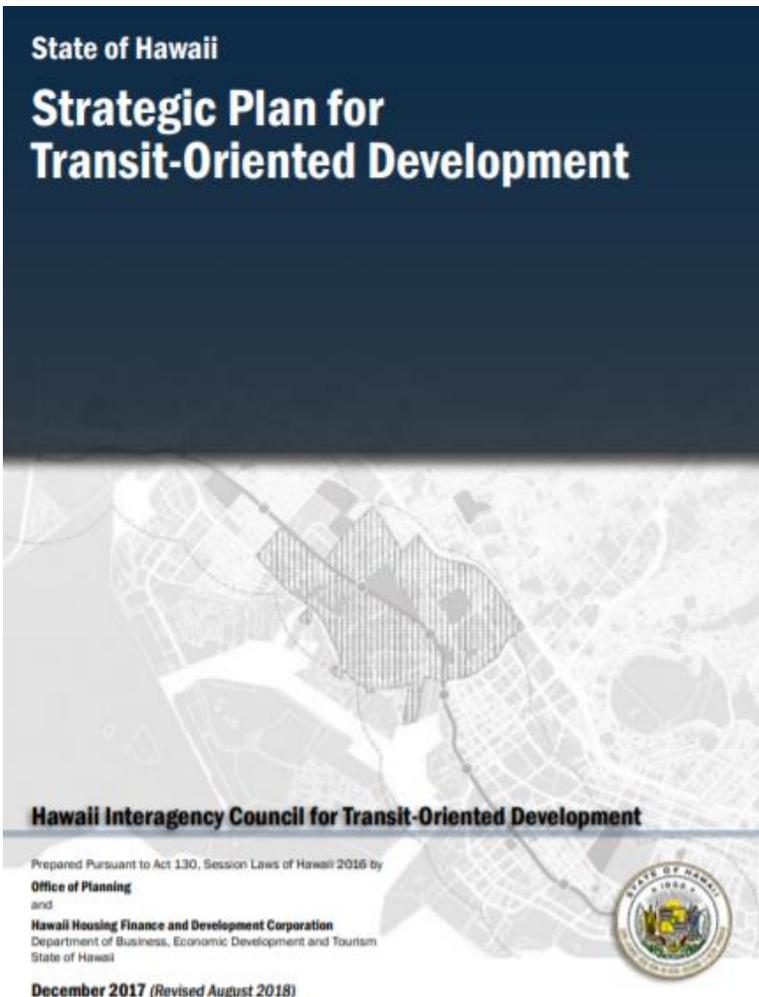
To implement **Housing First** on a system-wide scale, Hawai'i aims to reach **Functional Zero**, which is defined as a point where Hawai'i has:

- Sufficient housing for all homeless individuals; and
- Appropriate services to transition individuals to permanent housing, regardless of their levels of need.

# Hawai'i State Framework to Address Homelessness

	<b>Affordable Housing</b>	<b>Health &amp; Human Services</b>	<b>Public Safety</b>
<b>Short term (2016)</b>	Maximize the use of rental subsidies by convening landlord summits in every county and recruiting landlord participation.	Issue a new RFP for state homeless contracts, which are coordinated, performance-based, and focused on permanent housing.	Implement statewide policy to address homeless encampments on state lands.
<b>Medium term (2018)</b>	Streamline housing development by aligning rules and processes among state housing agencies.	Maximize efficiency by utilizing Medicaid and other funding streams for permanent supportive housing.	Divert homeless persons from the criminal justice system.
<b>Long term (2020)</b>	Build 10,000 new housing units by 2020.	Reduce the number of unsheltered people to functional zero by 2020.	Reduce to functional zero the number of encampments on state lands by 2020.

# Hawai'i Interagency Council for Transit-Oriented Development



- Established pursuant to Act 130, SLH2016
- Purpose: To coordinate and facilitate state agency transit-oriented development (TOD) planning, and facilitate consultation and collaboration between the State and counties on TOD initiatives.
- Role: Serve as the State's TOD planning and policy development entity with representation from State, counties, and the community.
- Strategic Plan: Coordinate with county TOD efforts and facilitate the development of TOD projects, including affordable and rental housing on State lands.

# Priority TOD Projects:

	Project ID	Agency	TOD Station/Area	Project	Area (Acres)	Status
Kauai	K-01	DAGS/COK	Lihue	Lihue Old Police Station	1	Pre-Planning
	K-02	COK/KHA	Lihue	Pua Loke Affordable Housing	2	Planning
	K-03	COK/KHA	Koloa	Koae Workforce Housing Development	11	Construction
	K-04	COK/KHA/HHFDC	Eleele	Lima Oia Workforce Housing Development	75	Planning
	K-05	UH KCC	Puhi	UH Kauai Community College LRDP/Student Housing	197	Pre-Planning
	K-06	COK	Hanapepe	Hanapepe Infill Redevelopment		Pre-Planning
	K-07	COK/DPW	Hanapepe	Hanapepe Complete Streets Improvements		Planning
	K-08	COK/HHSC	Kapaa	Mahelona State Hospital	34	Pre-Planning
	K-09	COK/DPW	Mahelona	Kawaihau Road Multimodal Improvements		Planning
	K-10	COK/DPW	Koloa School	Poipu Road Multimodal Improvements		Planning
	K-11	COK/DPW	Maluhia Rd	South Shore Shuttle		Pre-Planning
	K-12	COK/DPW	Puhi Shuttle	Puhi Shuttle		Pre-Planning

Strategic Plan Available at: [http://files.hawaii.gov/dbedt/op/lud/TODStrategicPlan\\_RevAug-2018.pdf](http://files.hawaii.gov/dbedt/op/lud/TODStrategicPlan_RevAug-2018.pdf)

# Follow up Questions for Panelist

1. What is one item you would ask from the private/for profit sector to support meeting the housing need?
2. What is one item you would like to have the private/ for profit sector understand about your role?
3. What is one challenge over the next 10 years you foresee as solvable as it relates to opening the production of more housing units?

# Panel 2: How Does the County Achieve Affordable Housing?

Moderator: Michael Dahilig, County Managing Director

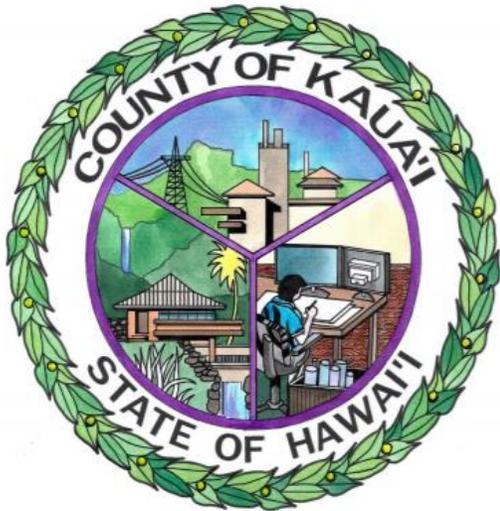
## **Panelist:**

- Doug Haigh, County Chief of Building Division: County Initiatives that Supports Development
- Joelle Chiu, Project Manager of 'Ahe Group: What Attracts Affordable Housing Development on Kaua'i From a For-Profit Perspective
- Milani Pimental, Deputy Director of Kaua'i Habitat for Humanity: What Attracts Affordable Housing Development on Kaua'i From a Non-Profit Perspective
- Craig Watase, President of Mark Development, Inc.: A Successful Partnership to develop Koa'e Makana

# County Initiatives that Supports Development

## Electronic Plan Review Applicant User Guide

Avolve ProjectDox Software Version 8.6.5



## BUILDING DIVISION

User Guide Available at:

[https://www.kauai.gov/Portals/0/PW\\_Bldg/EPR%20Applicant%20User%20Guide%20%286-7-18%29.pdf](https://www.kauai.gov/Portals/0/PW_Bldg/EPR%20Applicant%20User%20Guide%20%286-7-18%29.pdf)

Electronic Plan Review (EPR) is a web-based electronic plan and document workflow solution that allows citizens and government personnel to initiate and complete the submission, review, and approval process of construction documents online. Benefits of ERP include:

- Reduces Time – EPR enables plans to be sent and reviewed simultaneously, where comments are available online in real time during the review process.
- Reduces Cost – EPR removes the need for 6 sets of drawings per submission reducing paper and reproduction costs.
- Reduces human error- EPR uses technology to route and track plans, eliminating the response “We lost your plans”.

# County Fee Exemptions

County fee exemptions are applicable to a project, or portion of the project, that has been certified by the Housing Agency and is accompanied by a Fee Exemption Form.

- Building Permit Fees (Building Code Section 108.1)
  - 100% or 50% waiver as determined by the Housing Director
- Wastewater Treatment Capacity Assessment (Sewers Code Section 25-12.3)
  - 100% or 50% waiver as determined by the Housing Director
- Department of Water – Facility Reserve Charges
  - For projects developed by the County or in partnership, the Facilities Reserve Charge shall be \$4,940.00 per unit
- Other Fee Exemptions Available:
  - Building Plan Review Fee
  - Electrical Permit Fee
  - Plumbing Permit Fee
  - Planning Fees



# Fast Track Permitting

Fast Track Permitting gives priority review and attention to a project that has been certified by the Housing Agency and is accompanied by a Workforce Housing Certificate



KAUA'I COUNTY HOUSING AGENCY  
THE COUNTY OF KAUAI  
DEREK S. K. KAWAKAMI, MAYOR  
MICHAEL A. DAHLIG, MANAGING DIRECTOR

KANANI FU  
HOUSING DIRECTOR

## WORKFORCE HOUSING CERTIFICATE

### Fast Track Permitting for Workforce Housing

Project Name:  
Project Address:  
Project TMK:  
Project Owner:  
Project Developer:  
Total Number of Project Units:  
Total Number of Workforce Units:  
Percentage of Workforce Units for Project:

This Project has been reviewed by the Kaua'i County Housing Agency and meets the project qualifications to qualify for Fast Track Permitting for Workforce Housing pursuant to Ordinance No. 860, Section 7A-9.2.

RECOMMENDED BY:

\_\_\_\_\_  
KANANI FU

Housing Director

\_\_\_\_\_  
Date

APPROVED BY:

\_\_\_\_\_  
DEREK S.K. KAWAKAMI

Mayor

\_\_\_\_\_  
Date

# ĀHE GROUP

## Hawaii Focus

- 23 years of affordable housing experience
- 17 states, 94 properties
- First Hawaii LIHTC development in 1995
- Largest new construction LIHTC in 2008
- First 2 Hawai'i LEED LIHTC projects in 2015
- In 3 years, built 'Ahe portfolio of 7 properties, 352 units
- 4 completed on Kaua'i – Kekaha Elderly, Kaniko'o 1&2, and Kolopua
- 2 in developments – Waimea and Līhu'e



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# Why Kaua'i: The 'Ahe Group Perspective

- HA COFFEE BAR
- A TRUE PUBLIC/PRIVATE PARTNERSHIP: COMMITMENT AT ALL LEVELS OF COUNTY GOVERNMENT
  - AFFORDABLE HOUSING TASK FORCE – REGULAR AND CONSTRUCTIVE COMMUNICATION
  - PDU AND CLASS IV ZONING, SUBDIVISION
  - PERMITTING – ELECTRONIC SUBMISSION
  - PROPERTY TAX EXEMPTION – SINGLE FILING VALID FOR AFFORDABILITY COMMITMENT VS. ANNUAL
- COUNTY HOUSING OFFICE KNOWLEDGEABLE ABOUT THE DEVELOPMENT PROCESS
  - LEVERAGE WHAT THEY HAVE: LAND, PEOPLE, SOFT FUNDING
  - ENVIRONMENTAL ASSESSMENT PROCESS
  - TIMING OF ANNUAL FINANCING DEADLINES – CONSIDERED AND INCORPORATED INTO RFP
  - FEE EXEMPTION FORM
  - UNAFRAID OF NEW PROCESSES
  - FLEXIBLE, PROBLEM SOLVING APPROACH
- TRUST

Two projects, 24 months, 144 new units



## Kaniko'o – 60 units

- 14 months rfp to close
- County acquired land
- Rfp award quick and decisive
- County of Kauai lease
- \$1.25 MM home funds
- Aligned process with lihtc round
- Subdivision
- \$10.9 MM of LIHTC equity



## Kolopua – 44 units

- \$1MM home funds
- \$750K from private developer
- Land contribution
- \$11.1MM in LIHTC equity
- 9% lihtc award



# Looking forward to many more successful partnerships

- Waimea – 35 new units

- 9% LIHTC award
- Closing in April 2019
- Environmental assessment process
- Pdu and class iv permit
- Subdivision
- Soft financing

- Pua loke

- County rfp
- Applied for 9% LIHTC credits last week
- County acquired land
- Completed the environmental assessment process
- Committed soft financing
- Mixed income: 30% to 100% AMI
- Units set aside for homeless families



# Kaua'i Habitat for Humanity

*Providing affordable housing opportunities for Kaua'i  
through partnership with the County of Kaua'i Housing Agency*

# Financial Partnership Opportunities

## Community Development Block Grant (CDBG)

- CDBG funds totaling \$900,000 for 'Ele'ele 'Iluna Subdivision, Phase II
- Enabled the completion of offsite work including: main water line installation, main sewer line installation, highway improvements, and detention basin construction

## Home Investment Partnerships Program Loans (HOME)

- 'Ele'ele 'Iluna Subdivision
  - Phase II, Increment A (48 lots): In 2012, a \$1.92 million zero-interest HOME loan enabled Kauai Habitat to fund 60% of total infrastructure costs for this increment. The remainder was funded through an RCAC loan.
  - Phase II, Increment B (59 lots): In 2016, a \$1.9 million zero-interest HOME loan, in conjunction with \$1.6 million in grant funds and an additional loan, enabled us to complete 59 lots (onsite infrastructure, construction management, construction on 5 homes).

# Kaua`i County Housing Agency: *A Key Ally in Affordable Housing Development*

The **Kaua`i County Housing Agency** has played a **key role** in:

- ✓ aligning the mission of Kaua`i Habitat for Humanity
- ✓ with the goals of the County of Kaua`i
- ✓ and the needs of the community.

A **solid working relationship** with the County Housing Agency is **just as important** and **critical** to Kaua`i Habitat as the support they've provided as a financial partner.

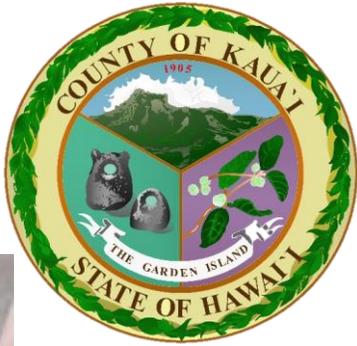
- ✓ Affordable Housing Task Force
- ✓ Assist with navigating the planning and subdivision process
- ✓ Assist with funding opportunities, potential partnerships

# Comments & Recommendations on Streamlining the Process

- Trends in design/development features can significantly drive up costs anywhere from 10%-50% depending upon the features
  - Increased engineering and infrastructure costs
  - Upper limit of affordability for households at 80% and below the Kauai Median Income is \$250,000
  - The greater majority in need of housing (50% and below range) cannot afford more than a cost of \$200,000-\$220,000
- Take out loans for homebuyers is critical component
  - Direct loans to homebuyers for house and lot packages are needed to accelerate the effectiveness of programs like Kauai Habitat for Humanity
  - Would allow shift from our current pace of 30 homes per year to upwards of 100 per year
- County of Kauai has done an amazing job at reducing the length of time from land acquisition to house starts
  - Years-long process to approximately 15 months



# A Successful Partnership Requires a Credible Partner, Leadership, and Legislative Support





# Koa'e Makana Workforce Housing

- 134 rental units developed by Mark Development, Inc.
- RFP awarded in 2016 with phased completion in 2019
- Projected Costs:  
 $\$3.6 \text{ MM (public)} + \$45.1 \text{ MM (private)} = \$48.7 \text{ MM TOTAL}$
- **Results: 3 years, 7% public funding, and 93% private funding**



# Follow up Questions for Panelist

1. If there was one infrastructure issue we should focus our efforts on resolving first, what would that be and why?
2. What is your impression of where the market is taking product types on Kauai (e.g. smaller units, mixed use, etc.)?
3. Does inclusionary zoning work?
4. Are fee waivers and fast track permitting enough these days to encourage greater housing development?