

House District \_\_\_\_\_  
Senate District \_\_\_\_\_  
Statewide X

THE TWENTY-FOURTH LEGISLATURE  
HAWAII STATE LEGISLATURE  
APPLICATION FOR GRANTS & SUBSIDIES  
CHAPTER 42F, HAWAII REVISED STATUTES

Log No: 77-C  
For Legislature's Use Only

Type of Grant or Subsidy Request:

GRANT REQUEST - OPERATING       GRANT REQUEST - CAPITAL       SUBSIDY REQUEST

"Grant" means an award of state funds by the legislature, by an appropriation to a specified recipient, to support the activities of the recipient and permit the community to benefit from those activities.

"Subsidy" means an award of state funds by the legislature, by an appropriation to a recipient specified in the appropriation, to reduce the costs incurred by the organization or individual in providing a service available to some or all members of the public.

"Recipient" means any organization or person receiving a grant or subsidy.

STATE DEPARTMENT OR AGENCY RELATED TO THIS REQUEST HOUSING, FINANCE AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII (OR BUDGET DEPT. DEPENDING ON FUNDING SOURCE)  
AND PROGRAM I.D. NO. \_\_\_\_\_

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:  
Hawaii Habitat for Humanity Association, Inc.  
Dba:  
Habitat for Humanity  
Street Address:  
1136 Union Mall, Ste. 510  
Honolulu, Hawaii 96813

Mailing Address: Same

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name KATHLEEN HASEGAWA  
Title Executive Director  
Phone # 808-538-7676  
Fax # 538-7171  
e-mail Kathi.habitathawaii@gmail.com

3. TYPE OF BUSINESS ENTITY:

- NON PROFIT CORPORATION  
 FOR PROFIT CORPORATION  
 LIMITED LIABILITY COMPANY  
 SOLE PROPRIETORSHIP/INDIVIDUAL

7. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

Habitat builds homes with very low income, at-risk families and community volunteers. Homes cost about \$65,000. Mortgage is 0% over 20 years. GIA will help build 50 - 75 homes a year as part of 5 year, 200 home campaign @ \$20,000 per home for construction materials.

4. FEDERAL TAX ID # \_\_\_\_\_  
5. STATE TAX ID \_\_\_\_\_  
6. SSN (IF AN INDIVIDUAL): \_\_\_\_\_

8. FISCAL YEARS AND AMOUNT OF STATE FUNDS REQUESTED:

FY 2007-2008 \$ 1,000,000  
FY 2008-2009 \$ 1,250,000

8. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

9.  NEW SERVICE (PRESENTLY DOES NOT EXIST)  
 EXISTING SERVICE (PRESENTLY IN OPERATION)

SPECIFY THE AMOUNT BY SOURCES OF FUNDS AVAILABLE AT THE TIME OF THIS REQUEST:

STATE \$ 700,000 LEGISLATIVE 2006  
FEDERAL \$ 300,000 FEDERAL HOME LOAN BANK  
COUNTY \$ \_\_\_\_\_  
PRIVATE/OTHER \$ 300,000 A YEAR, OHA

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

[Redacted Signature]  
AUTHORIZED SIGNATURE

Kathleen E. Hasegawa  
NAME & TITLE

1/30/07  
DATE SIGNED

Executive Director

## **Hawaii Habitat for Humanity Application for Grant In Aid Homeless Prevention Through Homeownership**

In its first 20 years Habitat for Humanity built 200 homes across the islands of Hawaii. This year Habitat embarked upon a five year Homeless Prevention through Homeownership Campaign in which we will build 200 more homes with very low-income at-risk families in a five year period. Grant in Aid funds for year two and three of the campaign will purchase construction materials to build 50 homes in the first year and 75 homes in the second year. They will also leverage approximately \$45,000 per home in loans and grants for the construction of the home.

Homes are built with the labor, known as "sweat equity", of the partner families who will own the homes and of community volunteers from schools, churches, civic clubs and individuals of goodwill. The average house in Hawaii costs only \$65,000 to build and families receive a 20-year mortgage. Because Habitat mortgages are 0% interest mortgages families are able to repay their mortgages at the rate of about \$300 a month. This enables working poor families and families on fixed income to step out of the fear or reality of homelessness and to become productive homeowners in our communities.

### **Background and Summary**

#### **1. A brief description of the applicant's background.**

Habitat for Humanity International was founded in Americus Georgia in the 1970s. Habitat's work is based on its conviction that everyone deserves a simple, decent, affordable home and its commitment to end poverty housing and homelessness. Habitat now has affiliates (home building entities) in 100 countries and has built more than 200,000 homes worldwide.

By utilizing free and low-cost land, zero interest loans and the labor of partner families along with community volunteers, Habitat is able to provide homeownership to very low-income families. Most Habitat homeowners are working families with incomes in the range of 35-50% of the area median income.

Hawaii Habitat for Humanity Association, Inc. is a statewide non-profit organization that works on behalf of the affiliate (homebuilding) programs by increasing resources, managing grants, forming partnerships, networking and advocating for increased housing for low-income families.

There are seven homebuilding affiliates in Hawaii. They are Honolulu and Leeward on Oahu, Hilo and Kona on the Big Island, Maui, Kauai, and Molokai.

#### **2. The goals and objectives related to this request.**

The long-term goal for Hawaii Habitat for Humanity is to eliminate poverty housing and homelessness in the state of Hawaii. The short-term goal for this request is to achieve the funding to enable us to provide safe, decent and affordable homes for 200 very low-income at-risk families over a five-year period.

All mortgages for Habitat partner families are zero interest loans. Like any developer the financing for these homes has to be in place before homes can be built. Hawaii Habitat will loan funds from the Grant In Aid for Humanity to the homebuilding affiliates at the rate of \$20,000 per home. The money will be used to buy construction materials for the homes. As the family repays its no interest mortgage loan to the affiliate, which helped them, build their homes the affiliate will repay it the Hawaii Habitat for Humanity. As the payments accumulate the money will then be lent out to build more homes. In this way the state funding will be a long-term investment in homeownership and community building in Hawaii.

**3. State the public purpose and need to be served:**

We are in a time when the cost of housing, both rental and purchase, has escalated beyond the incomes of low and modest income residents of Hawaii. Thousands of people are homeless and hundreds live on the beaches while trying to work and go to school. Shelters are full with long waiting lists and the state is scrambling to build more shelters. However, for many there is no place to go after the shelter. Rents are beyond their means. It is imperative that we build more housing which is affordable to people with very low-incomes.

At the same time there are also many families who live on family land in termite-ridden houses and shacks, which are falling apart. In many cases they could house other family members if they had the money to rebuild.

All of these families, whether living in shacks, structurally unsound homes, overcrowded apartments, beaches or parks are potential Habitat partner families.

**4. Describe the target population to be served:**

Habitats for Humanity offers a homeownership opportunity to families who are generally unable to pay the escalating rents and are unable to obtain conventional financing to own. Habitat partner families have incomes between 30-50% of the area median income and are highly at risk of homelessness. Some have already become homeless. They are typically working families with jobs in the service industry such as hotel workers, security guards, restaurant cooks and servers etc. Others may be secretaries, school aides, public service workers, even teachers. Some families have have one working parent and are not able to pay rent. Some have two or more working adults and still cannot afford to pay rent. Some are grandparents struggling to raise their children. They are all struggling to keep or put a roof over the heads of their family members.

**5. Describe the geographic coverage.**

There are seven Habitat for Humanity affiliates (home building programs) in Hawaii. Each is a non-profit housing development organization with its own office and staff. The Habitat for Humanity affiliate programs are located in Honolulu (covers most of the island) and Leeward Oahu, Kona and Hilo, Maui, Kauai and Molokai. They cover all of the major islands and the Honolulu affiliate has recently begun working with residents of

Lanai. The statewide support organization, Hawaii Habitat for Humanity Association, is located in Honolulu.

**6. Describe how the request will permit the community to benefit from its activities.**

Habitat for Humanity is a community-building program. In addition to the partner families that become homeowners, the communities they live in will also benefit. Shacks will be replaced with decent simple homes, families will move off of the beaches, fewer shelters will be needed. Habitat also strengthens communities by involving community members in the process of building homes, increasing property values in neighborhoods and increasing local government tax income.

## **II. Experience and Capability**

**A. Necessary Skills and Experience:** The Habitat for Humanity affiliates (homebuilding programs) in Hawaii have built more than 200 homes to date and are in the process of building another 50 this year. To that end Hawaii Habitat for Humanity Association has managed a \$5 million grant from the Case Foundation to the Habitat affiliates. Over the last six years it successfully disbursed the funds from that grant.

Additionally, Hawaii Habitat has successfully managed the first year of a \$1.5 million grant (at the rate of \$300,000 a year for five years) from the Office of Hawaiian Affairs. This grant is to help support Hawaiian families. Hawaii Habitat for Humanity has also received a grant of \$390,000 from the Federal Home Loan Bank to support the work of the affiliates. These grants have helped finance approximately 200 Habitat homes built in Hawaii and some of the proceeds will also be used to fund part of the next 200 homes.

**B. Quality Assurance and Evaluation:** Hawaii Habitat for Humanity Association and each of the affiliates have an audit done each year. Each also has a board Treasurer who monitors the finances.

There are policies and procedures in place by which an affiliate may receive a grant or a loan from the Hawaii Habitat for Humanity for an individual house. Some of those are: a signed contract with the family, a deed or other proof of ownership or leasehold rights on the parcel of land, a building permit, pictures of the house in each stage of the build and a final report.

**C. Facilities:** Facilities requirements of the Hawaii Habitat for Humanity Association are very minimal. Hawaii habitat currently rents office space from Honolulu Habitat for Humanity at 1136 Union Mall, Suite 510, which houses the Executive Director and provides a desk where volunteers and the part-time account may work. There is an elevator to the fifth floor and the office meets ADA requirements. There is a handicap accessible restroom on the first floor.

### **III. Personnel: Project Organization and Staffing**

**A. Proposed Staffing, Staff Qualifications, Supervision and Training:** The executive director of Hawaii Habitat for Humanity has 25 years of experience working in the field of affordable housing and homelessness. She has been the director of non-profit organizations for most of her 45 years of professional work. In addition to her professional history she has a Masters Degree in Community Economic Development with an emphasis on affordable housing.

The Executive Director works closely with the President, the accountant and the Treasurer to maintain the books and manage the grants. The organization is beginning the process to hire a part-time grants manager to work with the executive director to manage the grants and loans to the affiliates. Each affiliate has at least one paid staff. The largest has six staff.

**B. Organization Chart (see attached)**

### **IV. Service Summary and Outcomes**

#### **A. Scope of work, tasks and responsibilities:**

Hawaii Habitat for Humanity is actively working to increase the funds available for home building so that we can provide homes for increased numbers of families in need. In addition to the current funding Hawaii Habitat will also be soliciting funds from the Harry and Jeanette Weinberg Foundation, the Case Foundation, regional churches, local and national foundations and local banks. The Grant in Aid from the state will lay a secure foundation for leveraging other money for building homes.

- Currently the executive director, accountant and treasurer are maintaining the books, making disbursements of grants and producing monthly reports.
- The executive director meets with the affiliates quarterly to assess the funding needs of each and how the funds can be used equitably across the islands. (In addition to funds from Hawaii Habitat, each affiliate is also tasked with finding sources of funds for its homes – such as grants, money from churches and civic groups etc).
- Written requests from affiliates to Hawaii Habitat will be presented to the Hawaii Habitat board of director's executive committee for approval. Only approved disbursements will be made.
- Funds received from the state will be deposited in a separate fund within the Hawaii Habitat Schwab account. A portion of the funds will be transferred into the First Hawaiian Bank Account as needed for disbursement.

- The Grant In Aid from the State of Hawaii will help leverage other funds. Solicitation of other grants will be ongoing.
- As new homeowners repay their mortgages the moneys paid will grow and be loaned out again to finance new home construction.

**B. Projected annual timeline for accomplishing the results or outcomes of the service.**

- July 2007: Deposit state funds in Schwab Account  
Solicit loan requests from Habitat affiliate programs
- August 2007: Review requests and have approved by Board of Directors
- August 2007: Cut checks for first loans, have double signed and disburse.
- May 2008: Approximately 40-50 loans will have been made.  
15 – 30 homes will have been completed. Mortgage payments will be arriving. Mortgage payments sent by affiliates will be deposited in the Schwab Account to be used again.
- July 2008: Deposit new state funds in Schwab Account  
Continue disbursing any funds from 2007 if remaining.
- August 2008: Begin above process for disbursing 08 funds.
- July 2009: All state funds will be encumbered to the affiliates.

**V. Financial**

**Budget (see attached forms)**

**VI. Other**

**A. Litigation:** None

**B. Licensure or Accreditation**

Hawaii Habitat for Humanity Association, Inc. is a statewide support organization for the seven Habitat affiliate programs in Hawaii. Hawaii Habitat and each of the seven affiliates are independent, locally governed nonprofit organizations that operate within specific service areas in a covenant relationship with Habitat for Humanity International, which resides in Atlanta and Americus, Georgia.

**BUDGET REQUEST BY SOURCE OF FUNDS**  
(Period: July 1, 2007 to June 30, 2009)

Applicant: Hawaii Habitat for Humanity

BUDGET CATEGORIES	Total State Funds Requested (a)	(b)	(c)	(d)
<b>A. PERSONNEL COST</b>				
1. Salaries				
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
TOTAL PERSONNEL COST				
<b>B. OTHER CURRENT EXPENSES</b>				
1. Airfare, Inter-Island				
2. Insurance				
3. Lease/Rental of Equipment				
4. Lease/Rental of Space				
5. Staff Training				
6. Supplies				
7. Telecommunication				
8. Utilities				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES				
<b>C. EQUIPMENT PURCHASES</b>				
<b>D. MOTOR VEHICLE PURCHASES</b>				
<b>E. CAPITAL</b>	2,250,000			
<b>TOTAL (A+B+C+D+E)</b>	2,250,000			
<b>SOURCES OF FUNDING</b>		Budget Prepared By:		
(a) Total State Funds Requested	2,250,000	Kathleen E. Hasegawa 352-7281		
(b)		Name (Please type or print) Phone		
(c)		[Redacted] 1/31/07		
(d)		Signature of Authorized Official Date		
<b>TOTAL REVENUE</b>		Kathleen E. Hasegawa, Executive Director		
		Name and Title (Please type or print)		





## BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Applicant: *Hawaii Subicab for Humanity* Period: July 1, 2007 to June 30, 2009

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
<i>N/A</i>				
TOTAL:				
JUSTIFICATION/COMMENTS:				

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
<i>N/A</i>				
TOTAL:				
JUSTIFICATION/COMMENTS:				

**BUDGET JUSTIFICATION  
CAPITAL PROJECT DETAILS**

Applicant: *Hawzai Habitat for Humanity Association*

Period: July 1, 2007 to June 30, 2009

**FUNDING AMOUNT REQUESTED**

TOTAL PROJECT COST	ANY OTHER SOURCE OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED		FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2005-2006	FY: 2006-2007	FY: 2007-2008	FY: 2008-2009	FY: 2009-2010	FY: 2010-2011
PLANS						
LAND ACQUISITION						
DESIGN		230,000 FHHS				
CONSTRUCTION	600,000 Case	410,000 Case 300,000 OHA 700,000 State	1,000,000	1,250,000		
EQUIPMENT						
TOTAL:						

JUSTIFICATION/COMMENTS: *I have included only the funds developed by Hawzai Habitat for Humanity. Funds gotten by the affiliates for construction are not included. The \$300,000 from the Federal Home Loan Bank of Seattle is one time only. Case Funds are all expended. The OHA grant is for \$200,000 a year for 5 years. Please call if you have questions. Thank you, Kaiti Hasegawa 352-7281*

**DECLARATION STATEMENT  
APPLICANTS FOR GRANTS AND SUBSIDIES  
CHAPTER 42F, HAWAII REVISED STATUTES**

The undersigned authorized representative of the applicant acknowledges that said applicant meets and will comply with all of the following standards for the award of grants and subsidies pursuant to section 42F-103, Hawaii Revised Statutes:

- (1) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant or subsidy is awarded;
- (2) Comply with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
- (3) Agree not to use state funds for entertainment or lobbying activities; and
- (4) Allow the state agency to which funds for the grant or subsidy were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and assuring the proper expenditure of the grant or subsidy.

In addition, a grant or subsidy may be made to an organization only if the organization:

- (1) Is incorporated under the laws of the State; and
- (2) Has bylaws or policies that describe the manner in which the activities or services for which a grant or subsidy is awarded shall be conducted or provided.

Further, a grant or subsidy may be awarded to a non-profit organization only if the organization:

- (1) Has been determined and designated to be a non-profit organization by the Internal Revenue Service; and
- (2) Has a governing board whose members have no material conflict of interest and serve without compensation.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

Hawaii Habitat for Humanity Association, Inc  
(Typed Name of Individual or Organization)

*Kathleen E. Hasegawa*  
(Signature)

1/30/07  
(Date)

Kathleen E. Hasegawa  
(Typed Name)

Executive Director  
(Title)

# HAWAII HABITAT FOR HUMANITY ORGANIZATION CHART

