

House District _____
Senate District _____

Statewide X

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

Log No: 78-O

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
AND PROGRAM I.D. NO. _____

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:
Hawaii Habitat for Humanity Association, Inc.

Db/a:

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

DESCRIPTIVE TITLE OF APPLICANT'S REQUEST: **Homeless Prevention Through Homeownership** Habitat builds homes with very low income, at-risk families and community volunteers. Homes cost about \$65,000. GIA will fund operating expenses @ \$50,000 per homebuilding program (7 across the islands) and \$100,000 for statewide support organization per year to allow for expansion in number of families served.

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 \$ 450,000

FY 2008-2009 \$ 450,000

7. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

8. 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 \$ _____

FEDERAL \$ _____

COUNTY \$ _____

PRIVATE/OTHER \$ 100,000 (FUNDRAISING & INTEREST)

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

[Redacted Signature]

AUTHORIZED SIGNATURE

Kathleen E. Hasegawa

NAME & TITLE

Executive Director

1/30/07

DATE SIGNED

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

Homeless Prevention Through Homeownership –Operating Fund Request

Hawaii Habitat for Humanity will make homeownership a reality for 200 very low-income families by making loans of \$20,000 per home to Habitat affiliates (home building programs affiliated with Habitat for Humanity International) in Hawaii. These funds will leverage another \$40,000 – 45,000 in loans and grants per family. (See Hawaii Habitat for Humanity Homeless Prevention Through Homeownership Capital Request.)

Habitat for Humanity has built approximately 200 homes in its 20 years in Hawaii. During that time it has been gradually expanding in to all of the major islands and now has seven affiliates located in Honolulu and Lēeward on Oahu, Kona and Hilo on the Big Island, Maui, Kauai and Molokai. The Honolulu affiliate is also assisting residents on Lanai. We are now building about 30 to 35 homes a year. In order to increase affiliate capacity to build at least 200 new homes in five years, Hawaii Habitat for Humanity is asking for a \$50,000 grant per affiliate (homebuilding non-profit) per year for two years to hire additional critical staff, such as a full time construction site supervisor or added bookkeeping time or a fund raiser. This will allow the affiliates to build their capacity for more rapid development.

Hawaii Habitat for Humanity is also requesting \$100,000 a year for two years for the administration of the funds from the requested Capital Grant In Aid. This would enable the Hawaii Habitat, which currently has only one full time staff and a contract book keeper to hire a full time staff person to provide bookkeeping and grants management for the expanding grants and loans to affiliates and for a full time staff person to expand the role of Habitat through such means as public relations, public education and marketing.

Background and Summary

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

Habitat for Humanity International was begun in Georgia in the 1970s. Based on the conviction that everyone deserves a simple, decent, affordable home Habitat has affiliates (home building entities) in 100 countries and has built more than 200,000 homes world wide. By utilizing free and low-cost land, zero interest loans and the labor of the families to be housed 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 30 – 50% of median income.

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

2. The goals and objectives related to this request: The long term goal for Hawaii Habitat for Humanity is to eliminate homelessness and poverty housing in Hawaii. The short term goal for this request is to provide safe, decent and affordable homes for 200 low-income, at risk families in the next five years.

This request for operating expenses to Hawaii Habitat for Humanity is a tandem application with the one for the Homeless Prevention Through Homeownership capital fund to build more homes. Its purpose is to build capacity for the affiliates and the Hawaii Habitat for Humanity so that the homes can be built in a timely manner and to lay a firm foundation for continued increase in production.

3. State the public purpose and need to be served: With escalating housing prices increasing numbers of families are being priced out of both the rental and the homeowner market. Working families are on long wait lists just to get in to shelters. Many of them live with friends or in tents or vans while waiting for help. Some live in shacks on family land but are financially unable to build.

The primary need of low-income people in Hawaii in order to prevent homelessness or to move out of homelessness is a safe, simple, decent and affordable place to live. Through volunteer labor and donations of money, materials and land, Habitat builds and rehabilitates simple, decent houses with the help of the homeowner (partner) families and community volunteers. Habitat houses are sold to partner families at no profit, financed with grants and loans and mortgaged with affordable, no-interest loans. The homeowner's low monthly mortgage payments are used to build still more habitat houses.

4. Describe the target population to be served: Habitat for Humanity offers a homeownership opportunity to very low income , most of whom are struggling or unable to pay the escalating rents. Families served by Habitat for Humanity have incomes between 30-50% of 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 two working adults and still can not afford to pay rent, some are one parent families unable to provide secure housing for their children, some are grandparents struggling to raise their grandchildren.

5. Describe the geographic coverage: There are 7 Habitat for Humanity affiliates 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 and Leeward Oahu, Kona and Hilo, Maui, Kauai and Molokai. They cover all of the major islands and Honolulu Habitat is beginning to assist the residents on 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.

In addition to the 200 initial families and the following 200 families to benefit from a simple, decent and affordable home, the communities they live in will also benefit. Habitat for Humanity is a community building program. Habitat strengthens communities by involving community members in the process of building homes, increasing the property values in neighborhoods and increasing local government tax income.

II. Experience and Capability

A. Necessary Skills and Experience: The Habitat for Humanity affiliates in Hawaii have built approximately 200 homes to date and are in the process of building another 35 this year. To that end Hawaii Habitat for Humanity has managed a \$5 million grant from the Case Foundation to Hawaii Habitat and the Habitat affiliates. Over the last six years it has successfully disbursed the funds from that grant.

Additionally, Habitat for Humanity has successfully managed the first year of a \$1.5 million grant, at the rate of \$300,000 year for five years, from the Office of Hawaiian Affairs. This grant is to help build homes with indigenous Hawaiian families. Hawaii Habitat for Humanity has also received a grant of \$ 390,000 from the Federal Home Loan Bank of Seattle to support the construction of 30 homes at \$13,000 per home. These grants have helped finance approximately 200 Habitat built homes in Hawaii and some of the proceeds will 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 has 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 financing grant or loan for an individual house which vary by funder. 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 written report. Construction loans will be made available from the Hawaii Habitat when a threshold of financing requirements are met.

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 accountant 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 other solutions to homelessness. She has been director of a

non-profit organization for most of 40 years of professional work. In addition to her professional history the executive director has a Masters in Community Economic Development with an emphasis on affordable housing.

The Executive Director is working closely a contract accountant, and the Treasurer of the organization to maintain the books and manage the grants. However, a full time person to do book keeping, grants and loan management to an ever increasing and diversified list of funders and to do office management is greatly needed. The organization also needs a full time staff person to work with the director on fund development, public relations, marketing and public education related to the need for affordable housing and the role of Habitat for Humanity.

B. Organization Chart (see attached)

IV. Service Summary and Outcomes

A. Scope of work, tasks and responsibilities:

This grant request will support the operating and staffing needs of the Hawaii Habitat for Humanity and will also build capacity on the affiliate level for the proposed increased development of housing. Operating funds will be used hire an bookkeeper/grant manager carry out the work of the Homeless Prevention Through Homeownership Program. It will also provide funding for a staff person to provide public education, public relations, marketing and fund development so that Hawaii Habitat will be able to increase funding to the affiliates. It may also cover administrative expenses for those staff.

- Currently the executive director a contract accountant are maintaining the books and making disbursements of grants. With the advent of state funding to increase the number of loans and the Office of Hawaiian Affairs grant it has become imperative that Hawaii Habitat have a full time bookkeeper, grants manager office administrator if we are to meet the goal of 200 homes in five years. This person will work with the executive director and the treasurer of the board of directors to set up accounts for disbursement and repayment of loans from the State funds.
- The executive director will work with the affiliates to update policies and procedures for the distribution of the State funded loans. Requests for funds for homes of future Habitat homeowners will be immediately encouraged.
- Funds received from the state will be deposited in a separate fund within the Hawaii Habitat Schwab Account. They will be transferred into the First Hawaiian Bank Account as needed for disbursement.
- Written requests from affiliates for capacity building grants will be submitted as will requests for the loans from the State funds. Staff recommendations will be presented to the Hawaii Habitat board of directors' executive committee for approval. Only approved disbursements will be made.

- Grant In Aid from the State of Hawaii will help leverage other funds. Solicitation of other grants for the Homeless Prevention Through Home-ownership will be ongoing.
- The capacity building grants are not loans and affiliates will not be expected to reimburse Hawaii Habitat for Humanity Association for the grants.

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

**Hawaii Habitat Fund for Humanity Revolving Loan Fund
Capacity Building Grants and Operating Funds**

- July 2007 Hire full time bookkeeper/grants manager/office manager.
Update policies and procedures.
- July 2007 Deposit state funds in Schwab account.
Solicit loan and capacity building requests from Hawaii affiliate programs.
- August 2007 Begin making construction loans and capacity building grants from the state funds (Capital Grant In Aid Request)
- June 2008 Loans and grants will have been made to the affiliates. All state grants and loans from 2007 will have been encumbered. 20-30 houses will have been completed and mortgage payments will be revolving back into the fund so that new loans are being made. Another 20 - 30 houses will be in various stages of construction.
- July 2008 Three to five new loans will be initiated each month for approximately 48 months for a total of 200 loans of \$20,000 per loan and \$400,000 in capacity building grants.

V. Financial

Budget (see attached form Budget Request by Source of Funds)

VI. Other

A. Litigation. None

B. Licensure or Accreditation

Hawaii Habitat for Humanity Association is a statewide support organization for the seven Habitat for Humanity affiliates in Hawaii. Hawaii Habitat for Humanity and each of the affiliates are independent locally governed nonprofit organizations that operate within specific service areas in a covenant relationship with Habitat for Humanity International.

Please let me know if you are asking for the full budgets of all 84 Habitat organizations.
Thank you.
Kathi Hasegawa

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

Applicant: Hawaii Habitat for Humanity Association

BUDGET CATEGORIES	Total State Funds Requested (a)	(b)	(c)	(d)
A. PERSONNEL COST				
1. Salaries	692,325			
2. Payroll Taxes & Assessments	70,271			
3. Fringe Benefits	137,427			
TOTAL PERSONNEL COST	900,023			
B. OTHER CURRENT EXPENSES				
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				
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL				
TOTAL (A+B+C+D+E)				
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	900,000	Kathleen E. Hasegawa 808-352-7281		
(b)		Name (Please type or print)		
(c)		Phone		
(d)		Date		
TOTAL REVENUE	900,000	Signature of Authorized Official		
		Name and Title (Please type or print)		

BUDGET JUSTIFICATION PERSONNEL - SALARIES AND WAGES

Applicant: Maui Habitat for Humanity Assoc.
 Period: July 1, 2007 to June 30, 2009

POSITION TITLE	FULL TIME EQUIVALENT	W/benefits ANNUAL SALARY A	% OF TIME BUDGETED TO REQUEST B	TOTAL SALARY BUDGETED IN REQUEST A x B	
Grants Manager (include bookkeeping, Admin Asst)	1	\$2,800 yr	75%	\$ 39,600	79,200
Honolulu Prevention Campaign Coordinator	1	\$2,800 yr	75%	\$ 39,600	79,200
Executive Director	1	\$9,400 yr	35%	\$ 30,800	41,600
Construction Manager (Honolulu)	1	\$0,000 yr	100%	\$ 50,000	100,000
Construction Manager (Kona)	1	\$0,000 yr	100%	\$ 50,000	100,000
Construction Manager (Molokai)	1	\$0,000 yr	100%	\$ 50,000	100,000
Resource Development Dir. (Kauai)	1	\$0,000 yr	100%	\$ 50,000	100,000
Development Director (Maui)	1	\$0,000 yr	100%	\$ 50,000	100,000
Gen'l Resource Dev. Dir. (Hilo)	1	\$0,000 yr	100%	\$ 50,000	100,000
Construction Manager (Leeward)	1	\$0,000 yr	100%	\$ 50,000	100,000
TOTAL:				\$ 450,000 yr	900,000 2yrs

JUSTIFICATION COMMENTS: Adding these positions would enable us to greatly ramp up production in our three largest prevention campaigns. The greater production + visibility will result in more grants + donations to continue the positions.

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Applicant: *Hawaii Kablial - for Humani ty* 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: *Hawaii Habitat for Humanity Assoc.*

Period: July 1, 2007 to June 30, 2009

	FUNDING AMOUNT REQUESTED					
	ANY OTHER SOURCE OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED		FUNDING REQUIRED IN SUCCEEDING YEARS	
TOTAL PROJECT COST	FY: 2005-2006	FY: 2006-2007	FY: 2007-2008	FY: 2008-2009	FY: 2009-2010	FY: 2010-2011
PLANS						
LAND ACQUISITION						
DESIGN						
CONSTRUCTION						
EQUIPMENT						
TOTAL:						
JUSTIFICATION/COMMENTS:						

**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)


(Signature)

Kathleen E. Hasegawa
(Typed Name)

1/30/07
(Date)

Executive Director
(Title)