

House District 20

Senate District 9

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

Log No:

For Legislature's Use Only

JAN 28 2011

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 (LEAVE BLANK IF UNKNOWN):

DEPARTMENT OF HEALTH

STATE PROGRAM I.D. NO. (LEAVE BLANK IF UNKNOWN): \_\_\_\_\_

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:  
Palolo Chinese Home

Dba: N/A

Street Address: 2459 10<sup>th</sup> Avenue

Mailing Address: 2459 10<sup>th</sup> Avenue, Honolulu HI 96816

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name DARRYL N. ING

Title Chief Executive Officer

Phone # 808-739-6033

Fax # 808-735-1754

e-mail darryl.i@palolohome.org

3. TYPE OF BUSINESS ENTITY:

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

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

PALOLO CHINESE HOME'S CAMPUS REDEVELOPMENT

4. FEDERAL TAX ID # \_\_\_\_\_

5. STATE TAX ID #: \_\_\_\_\_

7. AMOUNT OF STATE FUNDS REQUESTED:

FY 2011-2012: \$ 1,000,000

8. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

- 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 \$ 235,000

AUTHORIZED REPRESENTATIVE:

\_\_\_\_\_  
AUTHORIZED SIGNATURE

DARRYL N. ING, CHIEF EXECUTIVE OFFICER  
NAME & TITLE

1/27/11  
DATE SIGNED

## Application for Grants and Subsidies

*If any item is not applicable to the request, the applicant should enter "not applicable".*

### I. Background and Summary

This section shall clearly and concisely summarize and highlight the contents of the request in such a way as to provide the State Legislature with a broad understanding of the request. Include the following:

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

The **Palolo Chinese Home (PCH)** is a 501 (c) (3) not-for profit organization. Its origins date back to 1896 and it is Hawaii's largest and second oldest Adult Residential Care Home (ARCH II – Expanded Care). PCH has 111 nursing home and residential care beds; PCH also has an adult day care program for 30 senior participants and an adult respite care program that provides short-term overnight stays for community seniors. Completing a full continuum of care services for elders, PCH provides hospice care on premises through arrangements with all local hospice providers, including Hospice Hawaii, St. Francis Hospice, and Bristol Hospice.

PCH's innovative community-based Hawaii Neighborhood to the Aged (HiNOA) program provides services to assist elders who wish to remain in their homes and are in need of various support service such as physician home visits, home delivered meals and chore services.

2. The goals and objectives related to the request;

In 2003, PCH embarked on a phased campus redevelopment project to update and modernize its aging facilities and to increase its capacity to provide much needed services to the growing numbers of elderly in Hawaii. PCH has completed Phases I and II of its Master Plan – renovations to an existing nursing home building and

the construction of a three-story Skilled Nursing / Food Service Complex and improvements to supporting infrastructure. The Long Range Planning Committee of the PCH Board of Directors is currently working with an architectural firm to update the Home's 2002 Master Plan.

Phase III includes assessment and design services and the planned renovation of two existing and aging buildings – the dining hall (Farm Hall, built in 1957) and the care home building (Victoria Ward Hall, built in 1967) which houses 50 PCH residents. Renovation expenses are estimated at \$2,000,000 and will include structural, plumbing and electrical upgrades. In addition, the care home building needs major repairs to its roof and a fire sprinkler system to meet current code. For the dining room facility that also needs a new roof, and with the relocation of the kitchen to the new building, plans are to create a community center and office space for the expanding HiNOA (outreach to the aged) program. PCH will be launching a new capital campaign and use the GIA funds as “seed money” for the new campaign.

3. State the public purpose and need to be served;

Hawaii has the nation's longest average lifespan of 80.8 years<sup>1</sup>. Hawaii also leads the nation in a shortage of skilled nursing beds, lack of affordable housing for seniors and the highest number of extended family households due to the high cost of living. The percentage of individuals (65 years and above) in Hawaii who live 200% below poverty is 26.3.<sup>2</sup> In the greater Kaimuki area alone, approximately 5,600 individuals age 65 years and older are living at or below the poverty level.<sup>3</sup>

Within PCH's immediate neighborhood is one of Hawaii's highest concentrations of senior citizens. The total population of seniors in the greater Palolo area is approximately 36,000 people aged 60 years and older or about 25 percent of the population. Of these, over 14,000 reside in the communities of Kaimuki,

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<sup>1</sup> Health Trends in Hawaii: A Profile on the Health Care System, 4th edition, [http://www.healthtrends.org/status\\_life\\_expect.aspx](http://www.healthtrends.org/status_life_expect.aspx).

<sup>2</sup> U.S. Census Bureau. (2004). Census 2000 special tabulation on aging. (SP 9), p88.

Kapahulu and Palolo Valley. Another 22,000 live directly to the east and west of Palolo. These numbers are projected to steadily increase as Hawaii has the fastest growing rate of senior citizens per capita in the nation with the 60+ years population growing 2.5 times faster than the national average.

The nursing bed ratio in Hawaii is 23 beds per 1,000 people compared to the national average of 47 beds per 1,000 people making Hawaii 48<sup>th</sup> in the nation.

According to a report by Genworth Financial, the median annual cost for a nursing home bed starts at \$123,005; nationally the annual cost is \$74,208.

To alleviate this growing concern, PCH seeks to:

- Increase availability of resources for long-term care services
- Optimize seniors' physical and mental health and well-being
- Provide assistance and support of basic needs for seniors living in their homes
- Maximize the independence of frail elders in our communities
- Be a resource and support service to families and reduce their stress of caring for elderly family members.

The addition of new PCH nursing home beds and residences will help to alleviate these growing needs. In addition, PCH proposes to expand its services to the neighboring community through its HiNOA (Hawaii Neighborhood Outreach to the Aged) program which provides services for seniors in their homes such as physician home visits, chore services, and in-home meals, will also serve to address the needs and desires of families and their elders who wish to keep their elder parents at home. On average, PCH receives 150 calls per month from seniors and family members seeking assistance and outreach services. Currently, PCH is only able to provide support to a small fraction of these inquiries due to program and facility limitations.

4. Describe the target population to be served; and

The target population to be served are senior citizens age 60 years and older. In June 2010, PCH commissioned SMS Research and Marketing Services, Inc. to conduct a study of the Hawaii market and assess its geriatric needs. Study results

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<sup>3</sup> UH Center on the Family data profile based on the 2000 U.S. Census.

indicated the following: 1) seniors wish to remain in their home as long as possible; services that can extend this time at home are highly desirable; 2) by offering a continuum of care starting with in-home services, seniors will become familiar with PCH and will seriously consider utilizing its residential care service when the time is right; and 3) the majority of seniors desire modern facilities with privacy both in bedrooms and bathrooms but do not wish to pay a premium fee. PCH has targeted its programs, services and the redevelopment of its campus to meet the desires of the seniors and their families as reported in the market study.

5. Describe the geographic coverage.

PCH serves residents and clients from throughout the island of Oahu. In addition, as part of the HiNOA program, PCH focuses on serving the elderly in the surrounding communities of Palolo, St. Louis Heights, Wilhelmina Rise, Kaimuki and Kapahulu.

## **II. Service Summary and Outcomes**

The Service Summary shall include a detailed discussion of the applicant's approach to the request. The applicant shall clearly and concisely specify the results, outcomes, and measures of effectiveness from this request.

1. Describe the scope of work, tasks and responsibilities;

The planning for Phase III is being conducted by the Obayashi Design Group that also worked on Phase I. The firm is working with the Long Range Planning Committee to update the current Master Plan. The plan projection will be for ten years and will maximize the use of the site based on the current and future needs of Hawaii's elderly and the availability of PCH facilities and resources.

The PCH Building Committee, comprised of the CEO, Administrator, Board members, architects, construction manager, and contractor will provide oversight and management of the project. The Home's CEO and a construction manager will provide the day-to-day project oversight.

2. The applicant shall provide a projected annual timeline for accomplishing the results or outcomes of the service;

Please see attached Appendix A

3. The applicant shall describe its quality assurance and evaluation plans for the request. Specify how the applicant plans to monitor, evaluate, and improve their results;

Annual inspections by the State Office of Healthcare Assurance provide an external review of PCH and its facilities. Inspections ensure compliance with State licensure rules, Medicare and Medicaid regulations, patient and resident safety and State and national fire codes.

The PCH Building Committee, comprised of the CEO, Administrator, Board member, architects, construction manager, and contractor will provide oversight and management of the project.

Quality assurance monitoring of resident and participant services is provided by a facility-wide quality assurance program. This program monitors key indicators that include falls, skin tears and bruising, pressure ulcers, facility acquired infections, weight loss and dehydration, drug use, and employee injuries. All departments attend a quarterly meeting to review data collected in their reports, identify areas for improvement, and follow up actions to determine effectiveness.

4. The applicant shall list the measure(s) of effectiveness that will be reported to the State agency through which grant funds are appropriated (the expending agency). The measure(s) will provide a standard and objective way for the State to assess the program's achievement or accomplishment. Please note that if the level of appropriation differs from the amount included in this application that the measure(s) of effectiveness will need to be updated and transmitted to the expending agency.

Measures of effectiveness to assess achievement and accomplishment facilities improvements are:

- Review and approval of all design and construction plans by the Hawaii State Department of Health
- Review and approval of all design and construction plans by the City Department of Planning and Permit

- Inspection by the City Building Department upon completion of construction

### III. Financial

#### Budget

1. The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.
2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2011-2012.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
		\$500,000	\$500,000	\$1,000,000

3. The applicant shall provide a listing of all other sources of funding that they are trying to obtain for fiscal year 2011-2012.

Funding Source	Amount Requested
CDBG	\$515,000
Foundations	\$200,000
Community	\$50,000

### IV. Experience and Capability

#### A. Necessary Skills and Experience

The applicant shall demonstrate that it has the necessary skills, abilities, knowledge of, and experience relating to the request. State your experience and appropriateness for providing the service proposed in this application. The applicant shall also provide a listing of verifiable experience of related projects or contracts for the most recent three years that are pertinent to the request.

The Palolo Chinese Home has extensive experience in caring for frail seniors both on its campus and in their homes in the community. PCH has provided services at its present site for 94 years and from its origins as the Chinese Hospital for 115 years. It is Hawaii's largest Adult Residential Care Home (ARCH) with Expanded Care. It will continue to provide and increase its capacities for adult

day care, overnight respite and hot meals to seniors in the community and services to elders in their homes through its HiNOA program.

PCH has successfully completed two major building projects (Phases I and II) on its campus: renovation of an existing nursing home building, the construction of a three-story Skilled Nursing / Food Service Complex and improvements to the supporting infrastructure. In addition, PCH has the expertise through its CEO, Hawaii licensed architects and contractors, and skilled volunteers to oversee and manage complex planning, development and construction projects.

## **B. Facilities**

The applicant shall provide a description of its facilities and demonstrate its adequacy in relation to the request. If facilities are not presently available, describe plans to secure facilities. Also describe how the facilities meet ADA requirements, as applicable.

The Palolo Chinese Home is located on 15-acres in Palolo valley – the property is fully-owned by the Home. Its campus presently has four major buildings:

- the recently completed three-story Harry and Jeanette Weinberg Hall that provides rooms for 44 nursing beds and houses the Home's commercial kitchen, the Wellness Center and a meeting / conference and community room
- the one-story Victoria Ward building was built in 1967 and houses 50 Adult Residential Care Home residents
- the two-story Harry Wong Building, which was renovated in 2004, provides rooms for 17 nursing home beds and the 30 participant adult day care program
- the residents' dining room is located in Farm Hall, the fourth building, which was built in 1957

A small two-story house provides offices for the CEO, Business office, and support staff. Residential hospice care for up to five patients is provided in a house adjacent to the main campus.



**V. Personnel: Project Organization and Staffing**

**A. Proposed Staffing, Staff Qualifications, Supervision and Training**

The applicant shall describe the proposed staffing pattern and proposed service capacity appropriate for the viability of the request. The applicant shall provide the qualifications and experience of personnel for the request and shall describe its ability to supervise, train and provide administrative direction relative to the request.

Management and administrative staff for the operation of the facility is presently available at PCH, including a licensed nursing home administrator as required by State rules. PCH also has a full time Director of Nursing. Many PCH professional staff are teaching faculty at local nursing and nurse aide training programs. Additional staffing consisting of aides and activity coordinators and other care providers..

**B. Organization Chart**

The applicant shall illustrate the position of each staff and line of responsibility/supervision. If the request is part of a large, multi-purpose organization, include an organizational chart that illustrates the placement of this request.

Please see attached Appendix B

**VI. Other**

**A. Litigation**

The applicant shall disclose any pending litigation to which they are a party, including the disclosure of any outstanding judgement. If applicable, please explain.

The Palolo Chinese Home currently has one (1) matter pending with a former resident, seeking recovery of past due sums due and owing for her time with the Home. This former resident is fairly incapacitated, and has been moved from one

home to another by her son. When the collection matter against his mother finally reached the point of a court proceeding, the son filed a “Counterclaim” alleging abuse and other indiscretions on the part of the Home. That and the fee collection matter are now ongoing in the Honolulu District Court, with insurance coverage counsel representing the Home on the claimed tort actions.

**B. Licensure or Accreditation**

Specify any special qualifications, including but not limited to licensure or accreditation that applicant possesses relevant to this request.

The Palolo Chinese Home is presently licensed with the Hawaii State Department of Health as an Adult Residential Care Home Type II – Expanded Care, ICF/SNF, Adult Day Care and a commercial kitchen. It has City approved Conditional Use Permits (CUP); variances and minor amendments fulfilling land use requirements.

**BUDGET REQUEST BY SOURCE OF FUNDS**  
(Period: July 1, 2011 to June 30, 2012)

App

Palolo Chinese Home

<b>BUDGET CATEGORIES</b>	<b>Total State Funds Requested (a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>
<b>A. PERSONNEL COST</b>				
1. Salaries				
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
<b>TOTAL PERSONNEL COST</b>				
<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				
<b>TOTAL OTHER CURRENT EXPENSES</b>				
<b>C. EQUIPMENT PURCHASES</b>				
<b>D. MOTOR VEHICLE PURCHASES</b>				
<b>E. CAPITAL</b>	<b>2,000,000</b>			
<b>TOTAL (A+B+C+D+E)</b>	<b>2,000,000</b>			
<b>SOURCES OF FUNDING</b>		Budget Prepared By:		
(a) Total State Funds Requested	1,000,000	Darryl N. Ing 808-739-6033		
(b) CDBG	515,000	[Redacted Signature]		
(c) Trusts and Foundations	300,000	[Redacted Signature]		
(d) Community fundraising	50,000	[Redacted Signature]		
(d) Palolo Chinese Home	135,000	[Redacted Signature]		
<b>TOTAL BUDGET</b>	<b>2,000,000</b>	Signature of Authorized Official _____ Date _____		
		Darryl N. Ing _____ Name and Title (Please type or print)		

## BUDGET JUSTIFICATION CAPITAL PROJECT DETAILS

Applicant: \_\_\_\_\_ Palolo Chinese Home

Period: July 1, 2011 to June 30, 2012

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2009-2010	FY: 2010-2011	FY:2011-2012	FY:2011-2012	FY:2012-2013	FY:2013-2014
PLANS						
LAND ACQUISITION						
DESIGN						
CONSTRUCTION			1000000			
EQUIPMENT						
<b>TOTAL:</b>	<b>0</b>	<b>0</b>	<b>1,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>JUSTIFICATION/COMMENTS:</b>						

## APPENDIX A

Palolo Chinese Home

### II. Service Summary and Outcomes

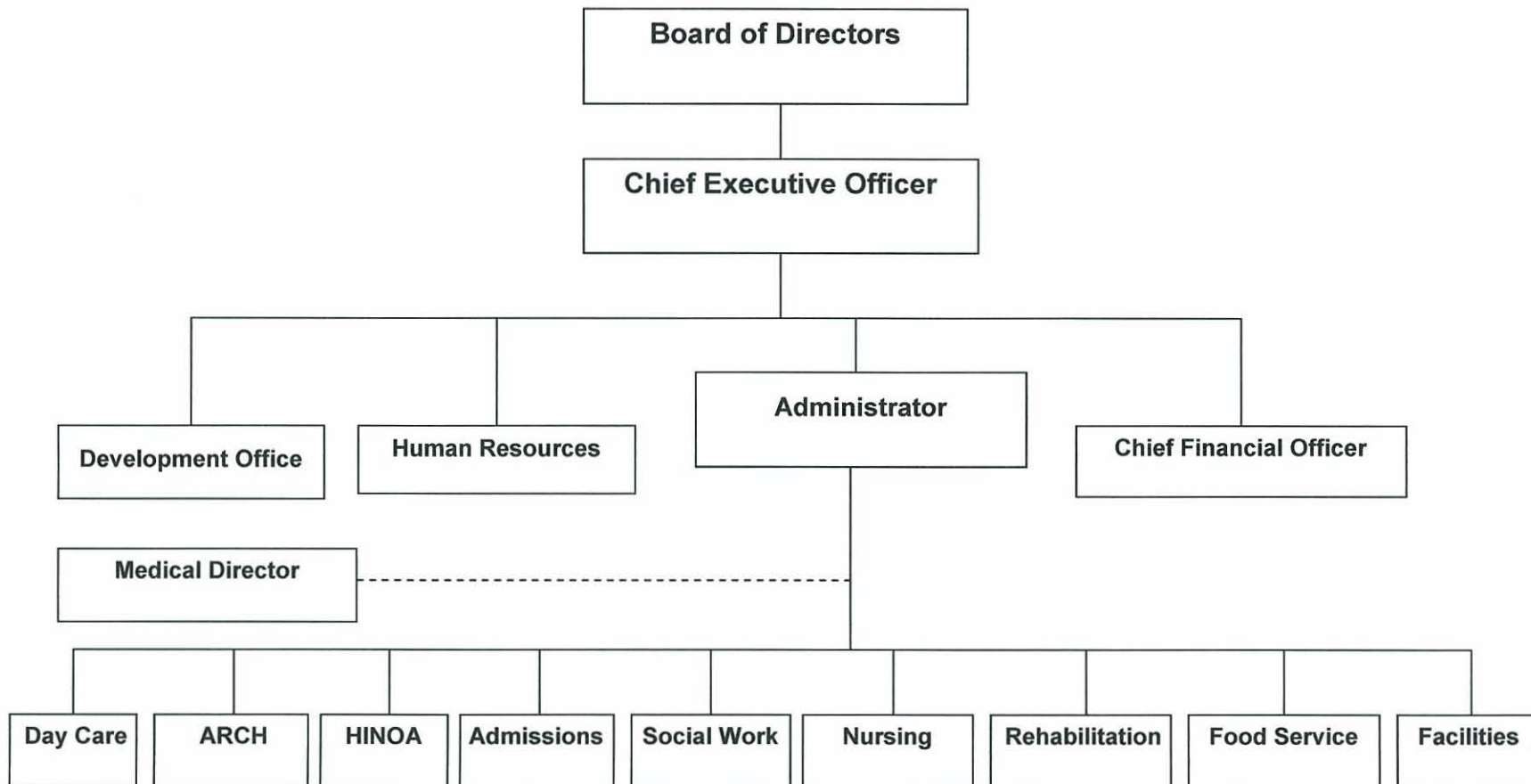
#### 2. PROJECTED TIMELINE

	2011						2012											
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Update Master Plan	→																	
Design			→															
City Approvals					→													
Construction							→											

## APPENDIX B



### Palolo Chinese Home Organizational Chart



**DECLARATION STATEMENT  
APPLICANTS FOR GRANTS AND SUBSIDIES  
CHAPTER 42F, HAWAI'I 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, Hawai'i 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 ensuring 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.

For a grant or subsidy used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant or subsidy was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant or subsidy used for the acquisition of the land.

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

Palolo Chinese Home

(Typed Name of Individual or Organization)



(Signature)

1/27/11

(Date)

Darryl N. Ing

(Typed Name)

Chief Executive Officer

(Title)