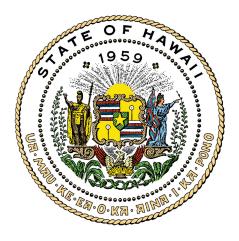
AP	PLICATION	LEGISLATURE FOR GRANTS I REVISED STATUTES					
Dob	Type of Gra	nt Request:					
Legal Name of Requesting Organizatio	n or Individual:	Dba:					
Neighborhood Housing Community Dev Co	rp	PAL Hawaii Org					
Amount of State	Funds Reque	sted: \$ <u>300,000</u>	1				
Brief Description of Request (Please attach PAL is seeking funding to build six houses		·	ace is needed)	:			
Amount of Other Funds Available: State: \$ Federal: \$		Total amount of State C Fiscal Years: \$_500,000	Grants Receiv	ved in the Past 5			
County: \$ Unrestricted Assets: Private/Other: \$_1,572,480 \$_\$1,287,425							
New Service (Presently Does Type of Business Entity		Existing Service (P Mailing Address:	resently in (Operation):			
501(C)(3) Non Profit Corpora	tion	4585 Lehua Street #	300				
Other Non Profit		City:	State:	Zip:			
Other		Kapa'a	HI	96746			
Contact Person for Matters Involving	g this Applicati	on					
Name: Racquel Segato-Figueroa		Title: Development Directo	r				
Email: racquel@pal-hawaii.org		Phone: (808) 634-3663					
The M	Lawrence Gra	aff, Executive Director	01/	13/2025			
Authorized Signature	Nam	ne and Title		Date Signed			

Application Submittal Checklist

The following items are required for submittal of the grant application. Please verify and check off that the items have been included in the application packet.

- X 1) Hawaii Compliance Express Certificate (If the Applicant is an Organization)
- X 2) Declaration Statement
- 3) Verify that grant shall be used for a public purpose
- X 4) Background and Summary
- X 5) Service Summary and Outcomes
- X 6) Budget
 - a) Budget request by source of funds (Link)
 - b) Personnel salaries and wages (Link)
 - c) Equipment and motor vehicles (Link)
 - d) Capital project details (Link)
 - e) Government contracts, grants, and grants in aid (Link)
- X 7) Experience and Capability
- X 8) Personnel: Project Organization and Staffing

Lawrence Graff, Executive Director 01/13/2025 PRINT NAME AND TITLE DATE IORIZED SIGNATURE



Department of Commerce and Consumer Affairs

CERTIFICATE OF GOOD STANDING

I, the undersigned Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that

NEIGHBORHOOD HOUSING COMMUNITY DEVELOPMENT CORPORATION

was incorporated under the laws of Hawaii on 11/14/2018 ; that it is an existing nonprofit corporation; and that, as far as the records of this Department reveal, has complied with all of the provisions of the Hawaii Nonprofit Corporations Act, regulating domestic nonprofit corporations.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Department of Commerce and Consumer Affairs, at Honolulu, Hawaii.

Dated: January 15, 2025

Nadinil/lendo

Director of Commerce and Consumer Affairs

DECLARATION STATEMENT OF APPLICANTS FOR GRANTS PURSUANT TO CHAPTER 42F, HAWAI'I REVISED STATUTES

The undersigned authorized representative of the applicant certifies the following:

- 1) The applicant meets and will comply with all of the following standards for the award of grants pursuant to Section 42F-103, Hawai'i Revised Statutes:
 - a) 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 is awarded;
 - b) Complies 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;
 - c) Agrees not to use state funds for entertainment or lobbying activities; and
 - d) Allows the state agency to which funds for the grant 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.
- 2) If the applicant is an organization, the applicant meets the following requirements pursuant to Section 42F-103, Hawai'i Revised Statutes:
 - a) Is incorporated under the laws of the State; and
 - b) Has bylaws or policies that describe the manner in which the activities or services for which a grant is awarded shall be conducted or provided; and
- 3) If the applicant is a non-profit organization, it meets the following requirements pursuant to Section 42F-103, Hawai'i Revised Statutes:
 - a) Is determined and designated to be a non-profit organization by the Internal Revenue Service; and
 - b) Has a governing board whose members have no material conflict of interest and serve without compensation.
- 4) The use of grant-in-aid funding complies with all provisions of the Constitution of the State of Hawaii (for example, pursuant to Article X, section 1, of the Constitution, the State cannot provide "... public funds ... for the support or benefit of any sectarian or nonsectarian private educational institution...").

Pursuant to Section 42F-103, Hawai'i Revised Statutes, for grants used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant 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 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.

Neighborhood Housing Community Development Corporation

(Typed Name of Individual or Organization)	~		
Im Mul	01/13/2025		
(Signature)	(Date)		
Lawrence Graff	Executive Director		
(Typed Name)	(Title)		



Application for Grants Public Purpose Certification

The grant will be used for Public Purpose pursuant to Section 42F-102, Hawai'i Revised Statutes.

Name of requesting Organization: Neighborhood Housing Community Development Corporation DBA PAL Hawai'i Org

The Public Purpose for the grant: Establishing a foundation of hope by providing affordable homes and services for the people of Hawai'i.

Services to be supported by the grant: Development of six affordable for-sale single-family homes.

Target Group: Eligible homebuyers earning 120% AMI or below selected from the County of Kaua'i's First-time Homebuyer Program.

Cost of the grant: \$300,000

Application for Grants

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

I. <u>Certification – Please attach immediately after cover page</u>

1. Hawaii Compliance Express Certificate (If the Applicant is an Organization)

If the applicant is an organization, the applicant shall submit one (1) copy of a Hawaii Compliance Express Certificate from the Comptroller of the Department of Accounting and General Services that is dated no earlier than December 1, 2024.

2. Declaration Statement

The applicant shall submit a declaration statement affirming its compliance with <u>Section</u> <u>42F-103</u>, <u>Hawaii Revised Statutes</u>.

3. Public Purpose

The applicant shall specify whether the grant will be used for a public purpose pursuant to <u>Section 42F-102</u>, <u>Hawaii Revised Statutes</u>.

II. 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. Please include the following:

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

Neighborhood Housing Community Development Corporation DBA Permanently Affordable Living Hawai'i (PAL) is a 501(c)(3) nonprofit dedicated to creating permanently affordable living solutions for Hawai'i's residents. Founded in 2018, our mission is to establish a foundation of hope by providing affordable homes and services for the people of Hawai'i. PAL fights displacement by providing affordable homes and supportive services that empower Native Hawaiians and multigenerational families to thrive while preserving the cultural fabric of our islands.

PAL addresses housing affordability with a holistic approach. We develop diverse pathways to homeownership and rental opportunities for houseless, extremely low, and middle-income residents. These include:

1. Rental Housing

2. Leasehold Homeownership via the Ho'omaluhia Community Land Trust.

The **Ho'omaluhia Community Land Trust** is a cornerstone of PAL's mission to ensure generational affordability. Through a leasehold ownership model, families purchase homes on

trust-held land, significantly reducing housing costs while retaining long-term stability. This approach creates a lasting solution for affordable homeownership, preserving land for the community and keeping housing costs accessible for future generations.

Our *points-and-preferences* application system prioritizes local, generational families, ensuring equitable access.

We redefine affordability as more than just housing—*it's affordable living.* PAL developments integrate essential resources like food, utilities, transportation, healthcare, and employment. Through sustainable design, intentional locations, and service-enriched amenities, we address these needs and promote long-term affordability and stability. Using efficient, sustainable, and innovative methods inspired by Habitat for Humanity's valued engineered architectural plans, PAL's construction methods control costs, reduce waste, increase efficiency and ensure quality. This model achieves a target price of **\$225 per sq. ft.,** significantly increasing affordability for Hawai'i families.

The **Beyond Housing Program (BHP)** provides critical support at our rental housing projects. Tenants receive personalized case management, social service referrals, and workshops focused on financial literacy, life skills, and career development. The BHP Center offers a community space for workshops, a computer lab, and private case management offices supporting economic mobility and long-term self-sufficiency.

PAL is not just building homes—we're building pathways to hope, stability, and generational opportunity for Hawai'i's people.

2. The goals and objectives related to the request;

This funding will support our *For-Sale Homeownership* pathway by enabling the construction of **six affordable homes** for families earning up to **120% of the Area Median Income (AMI)**— classified as workforce affordable housing under the County of Kaua'i's guidelines.

Goal:

To build and deliver six affordable homes to qualified local families.

Objectives:

- 1. **Select and Qualify Six Families:** Eligible households earning up to 120% AMI will be selected from the County of Kaua'i *First-Time Homebuyer Program* and incomequalified by the County. Through our partnership with *Hawaiian Community Assets* (MOU in place), homebuyers will receive assistance in securing loan approvals.
- 2. Build Six Affordable Homes: Complete construction of six homes at approximately 50% of market value, ensuring affordability for local families while maintaining quality and sustainability.

This project directly addresses the critical need for affordable homeownership opportunities and creates lasting stability for Kaua'i families.

3. The public purpose and need to be served;

Housing remains the single largest expense for families on Kaua'i. According to Aloha United Way's 2022 study, 41% of Kaua'i residents are ALICE—Asset Limited, Income Constrained, Employed. These individuals earn above the Federal Poverty Level but not enough to afford basic needs like housing, food, childcare, transportation, healthcare, and technology. On Kaua'i, 34% of households are "just getting by" or struggling to meet expenses, leaving them financially vulnerable and at risk of houselessness. This reality impacts approximately 24,000 residents, many of whom are vital to our island's workforce and community stability.

The **2019 Hawai'i Housing Planning Study** underscored the urgency: Kaua'i requires **4,281 new affordable housing units by 2025** to meet demand. Without action, families with deep multigenerational ties to Kaua'i, including Native Hawaiians, face displacement as housing costs soar beyond reach. By **creating affordable housing opportunities**, we significantly ease families' economic burdens and preserve the people who are the heart and soul of our island's culture.

4. Describe the target population to be served; and

Eligible homebuyers earning 120% AMI or below will be selected from the County of Kaua'i's First-Time Homebuyer Program.

5. Describe the geographic coverage.

All homes will be located within the County of Kaua'i, ensuring accessibility and alignment with local affordable housing priorities.

III. 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. The applicant shall:

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

A. Homebuyer Selection and Loan Approval Process

The selection and approval process is coordinated with the County of Kaua'i Housing Department and Hawaiian Community Assets (HCA):

- **Marketing and Outreach**: PAL provides materials to the County Housing Department for distribution to their First-Time Homebuyer list.
- **Income Qualification**: The County of Kaua'i verifies income eligibility for interested households.
- Homebuyer Selection: PAL selects eligible households based on its priority system, which emphasizes length of residency and generational ties.
- Loan Preparation and Approval: HCA works with homebuyers to assemble loan applications and submits them to lending institutions for approval.

B. Home Construction Process

Home construction will be managed under the supervision of PAL's Project Manager and selected General Contractor. The process includes:

- 1. **Site Preparation and Foundation**: Excavation, pier and post foundation installation, and subfloor construction.
- 2. **Structural Framing**: Wall framing, roof framing/sheathing, and siding installation.
- 3. Exterior Installation: Roofing, porches, windows, and exterior doors.
- 4. **Mechanical Systems**: Rough-in and completion of plumbing, electrical, and insulation installation.
- 5. Interior Finishes: Drywall, interior carpentry, cabinets, countertops, and painting.
- 6. **Final Touches**: Exterior painting, hardware installation, gutters/downspouts, grading, and landscaping.

C. Final Loan Closing

The loan closing process will be facilitated by PAL Hawai'i in coordination with a title company to ensure proper recording and transfer of ownership.

2. Provide a projected annual timeline for accomplishing the results or outcomes of the service;

Project Timeline and Objectives:

- 1. Select and Qualify Homebuyers (3 Months): Identify six households earning up to 120% AMI or below. Households will be selected through the County of Kaua'i's First-Time Homebuyer Program and income-verified in collaboration with Hawaiian Community Assets.
- Construct Six Affordable Homes (8 Months): Complete the construction of six highquality, permanently affordable homes.
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- 3. **Close Mortgages (2 Months)**: Facilitate mortgage closings in coordination with lending institutions and finalize ownership transfer through a title company.
- 3. Describe its quality assurance and evaluation plans for the request. Specify how the applicant plans to monitor, evaluate, and improve their results; and

PAL Construction Oversight and Quality Assurance

PAL's Project Manager oversees the overall home construction, ensuring work performed by contractors meets cost, quality and timeline expectations. Responsibilities include and are not limited to maintaining project schedules, obtaining permits and budget monitoring. The Project Manager ensures inspections, approvals, and each construction phase is completed on time and within budget. Job costing and evaluations—through homebuyer, staff, and vendor feedback—are conducted post-construction to identify areas for improvement and streamline future projects, ensuring efficiency, quality and cost-effectiveness.

4. 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.

Measuring Project Effectiveness:

We will evaluate the success of this project through the following measurable outcomes:

- 1. Household Selection & Qualification: Six households earning up to 120% Area Median Income (AMI) will be identified and income-qualified to ensure they are in need of housing and capable of maintaining an affordable mortgage.
- 2. Affordable Home Production: Construction and completion of six affordable homes at approximately 50% of market value.
- 3. **Final Homeownership Milestones:** Receipt of Certificates of Occupancy, finalization of loan approvals, and successful title transfers to the selected homebuyers.

IV. Financial

Budget

- 1. The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.
 - a. Budget request by source of funds (Attached)
 - b. Personnel salaries and wages (N/A)

- c. Equipment and motor vehicles (N/A)
- d. Capital project details (Attached)
- e. Government contracts, grants, and grants in aid (Attached)
- 2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2026.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
		\$150,000	\$150,000	\$300,000

3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2026.

Project Costs and Need for Subsidy:

The total cost to build six homes is estimated at \$1,872,480. While the total development cost, including land and infrastructure, approaches \$500,000 per home, the sales price is capped based on interest rates and limited to 120% Area Median Income in accordance with PAL's Affordable Housing Agreement with the County of Kauai. As rising interest rates lower the allowable sales price and construction costs for materials and labor continue to increase, subsidies are critical to bridge the gap between the cost to develop and the restricted sales price and ensure homes remain affordable for Kaua'i families.

4. The applicant shall provide a listing of all state and federal tax credits it has been granted within the prior three years. Additionally, the applicant shall provide a listing of all state and federal tax credits they have applied for or anticipate applying for pertaining to any capital project, if applicable.

PAL Hawai'i has not received any state or federal tax credits in the past three years. Additionally, we have not applied for such tax credits and do not anticipate pursuing them in the future. 5. The applicant shall provide a listing of all federal, state, and county government contracts, grants, and grants in aid it has been granted within the prior three years and will be receiving for fiscal year 2026 for program funding.

PAL Hawai'i received two grants in aid for fiscal year 2024, \$100k for operating and \$200k for a CIP, and one \$200k CIP grant in aid for fiscal year 2025.

6. The applicant shall provide the balance of its unrestricted current assets as of December 31, 2024.

\$1,287,425

V. Experience and Capability

1. 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.

Experienced Leadership and Construction Team

PAL Hawai'i's leadership brings extensive experience in real estate, affordable housing development, program management, and nonprofit administration. This expertise allows us to deliver projects and programs seamlessly, addressing Kaua'i's affordable housing crisis effectively and efficiently.

Our PAL Construction Superintendent has over 25 years of experience building homes on Kaua'i. Additionally, our Construction Consultant, with 14 years as the former Executive Director of Habitat for Humanity Kaua'i, and 5 years with his LLC as a Hawaii licensed Contractor brings valuable knowledge in building affordable, value-engineered homes. These proven designs enable us to deliver high-quality, cost-effective housing solutions.

2. 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.

Rental Housing Program

PAL Hawai'i owns and operates two affordable rental housing projects: Kauhale O Kekaha (13

units) located at 4517 Kala Road, Kekaha, and Kauhale O Kapa'a (13 units) located at 4585 Lehua Street, Kapa'a.

PAL Hawai'i Administration

Our administrative office is located at Anahola Marketplace (4523 loane Road, Anahola, HI), serving as the central hub for operations, development projects, and meetings that advance our mission of providing affordable housing solutions.

VI. Personnel: Project Organization and Staffing

1. 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.

PAL's Project Manager and Construction Consultant **Stephen Spears**, former Executive Director of Habitat for Humanity Kaua'i, ensures predictable scheduling and cost control. Stephen Spears experience in building over 120 affordable homes using the same basic architectural plans as our projects is intimately familiar with these highly value-engineered designs and has been instrumental in establishing Habitat for Humanity-inspired building techniques, constructing homes efficiently at a target cost of **\$225 per sq ft**.

2. 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 organization chart that illustrates the placement of this request.

3. Compensation

The applicant shall provide an annual salary range paid by the applicant to the three highest paid officers, directors, or employees of the organization by position title, <u>not employee name</u>.

Executive Director - \$92,366 Chief Operating Officer - \$88,280 Controller - \$87,434

VII. Other

1. 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.

PAL Hawai'i is not currently under and pending litigation or outstanding judgment.

2. Licensure or Accreditation

The applicant shall specify any special qualifications, including but not limited to licensure or accreditation that the applicant possesses relevant to this request.

3. Private Educational Institutions

The applicant shall specify whether the grant will be used to support or benefit a sectarian or non-sectarian private educational institution. Please see <u>Article X, Section</u> <u>1, of the State Constitution</u> for the relevance of this question.

The grant will not be used to support or benefit a sectarian or non-sectarian private educational institution.

4. Future Sustainability Plan

The applicant shall provide a plan for sustaining after fiscal year 2026 the activity funded by the grant if the grant of this application is:

- (a) Received by the applicant for fiscal year 2026, but
- (b) Not received by the applicant thereafter.

PAL Hawai'i operations are funded through donations, rental income, and home sales from single-family residential projects. Since acquiring **Kauhale O Kekaha** in February 2022 and **Kauhale O Kapa'a** in January 2023, significant rehabilitation has been necessary, limiting net operating income. Repairs are expected to be completed, and the first construction projects sold by 2025. The GIA funding will bridge operational costs during this period, supporting essential program staff until these anticipated revenue streams are fully established.

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2024 to June 30, 2025

Applicant: <u>Neighborhood Housing Community Development Corporation</u>

BUDGET		Total State	Total Federal Total County Total Private/		
C	ATEGORIES	Funds Requested (a)	Funds Requested (b)	Funds Requested (c)	Funds Requested (d)
А.	PERSONNEL COST				
	1. Salaries				
	2. Payroll Taxes & Assessments				
	3. Fringe Benefits				
	TOTAL PERSONNEL COST				
В.	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				
	<u>9</u> 10				
	11				
	12				
	13				
	14				
	15				
	16				
	17				
	18				
	19				
	20				
	TOTAL OTHER CURRENT EXPENSES				
C.	EQUIPMENT PURCHASES				
D.	MOTOR VEHICLE PURCHASES				
E.	CAPITAL	300,000			1,572,480
то	TAL (A+B+C+D+E)				
			Budget Prepared	Bv:	
SOURCES OF FUNDING					
	(a) Total State Funds Requested	300,000	Moana Waipa	(808) 72	0-1011 ext 407
	(b) Total Federal Funds Requested		Name (Please type or	print)	Phone
	(c) Total County Funds Requested		no	- 1/14/	25
	(d) Total Private/Other Funds Requested	1,572,480	Signature of Authorize		Date
	·	· · ·	Moana Waina	Financial Co	ontroller
то	TAL BUDGET	1,872,480	Moana Waipa, Financial Controller Name and Title (Please type or print)		

BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2025 to June 30, 2026

Applicant: Neighborhood Housing Community

TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OTHER SOURCES OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY:2023-2024	FY:2024-2025	FY:2025-2026	FY:2025-2026	FY:2026-2027	FY:2027-2028
PLANS						
LAND ACQUISITION						
DESIGN						
CONSTRUCTION			300000	1572480		
EQUIPMENT						
TOTAL:			300,000	1572480		

GOVERNMENT CONTRACTS, GRANTS, AND / OR GRANTS IN AID

Applicant: Neighborhood Housing Community Development Corporation

Contracts Total:

500,000

CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S./State/Hawaii/ Honolulu/ Kauai/ Maui County)	CONTRACT VALUE
Grant-In-Aid Operating	07/01/2023-06/30/2024	SOHHS	State	100,000
Grant-In-Aid CIP	07/01/2023-06/30/2024	DLIR	State	200,000
Grant-In-Aid CIP	07/01/2024-06/30/2025	DLIR	State	200,000
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