House District 1,2,3

Senate District 1,4

## THE TWENTY-SEVENTH LEGISLATURE **APPLICATION FOR GRANTS & SUBSIDIES** CHAPTER 42F, HAWAII REVISED STATUTES

Log No:		

		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 a permit the community to benefit from those activities.	n appropriation to a specified recipient, t	to support the activities of the recipient and
"Subsidy" means an award of state funds by the legislature, by incurred by the organization or individual in providing a service		
"Recipient" means any organization or person receiving a gran	nt or subsidy.	
STATE DEPARTMENT OR AGENCY RELATED TO THIS REQUEST (LEASTATE PROGRAM I.D. NO. (LEAVE BLANK IF UNKNOWN):	AVE BLANK IF UNKNOWN): LABOR, OFFICE	OF COMMUNITY SERVICES
1. APPLICANT INFORMATION:		MATTERS INVOLVING THIS
Legal Name of Requesting Organization or Individual:	APPLICATION:	
Hawaii Island Community Development Corporation	Name KEITH KATO	
Dba: Not Applicable	Title Executive Director	204 105
Street Address: 100 Pauahi Street #204, Hilo, HI 96720	Phone # 808-969-1158 6	ext. 105
Mailing Address: Same as Above	Fax # 808-935-6916	
walling Address. Same as Above	e-mail <u>keith.hicdc@gn</u>	nall.com
3. Type of business entity:	6. DESCRIPTIVE TITLE OF	APPLICANT'S REQUEST:
NON PROFIT CORPORATION     FOR PROFIT CORPORATION     LIMITED LIABILITY COMPANY     SOLE PROPRIETORSHIP/INDIVIDUAL		EW HILO ADULT DAY CENTER FACILITY
4. Federal tax id #:	7. AMOUNT OF STATE FUND	DS REQUESTED:
5. STATE TAX ID#:	FISCAL YEAR 2014: \$ 2.0	MILLION
The state of the s	PECIFY THE AMOUNT BY SOURCES OF FUNDS THE TIME OF THIS REQUEST: STATE \$385 FEDERAL \$ COUNTY \$ PRIVATE/OTHER_\$	

# **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 Hawaii Island Community Development Corporation (HICDC) is a 501 (c)(3) non-profit corporation whose goals are to secure affordable housing for primarily low-income seniors and families of Hawaii Island. Since 1991, HICDC has developed seven senior rental apartment projects totaling 209 units, and 256 self-help homes on the island of Hawaii.

HICDC has constructed self-help homes in several communities throughout the island. With operational funding from USDA Rural Development mortgages and savings from sweat equity, HICDC enables young, low-income families opportunities for affordable home ownership that would otherwise be virtually impossible.

Over the past five years, HICDC has completed low-income senior rentals located in Kailua-Kona, Ainakea, Waimea and Hilo, at an estimated total cost of \$25 million. Through rental assistance that HICDC has been able to secure, all the units have been affordable for very-low income seniors.

### 2. The goals and objectives related to the request;

Hawaii Island Community Development Corporation (HICDC) plans to construct a new \$7.0 million facility for Hawaii Island Adult Care, Inc. (HIAC) at the Mohouli Heights Senior Neighborhood site. The new Hilo Adult Day Center will be approximately 9,000 sq. ft., and will enable HIAC to relocate its quality Hilo-based care services for elders and/or physically and mentally challenged adults from the Old Memorial Hospital that was constructed in 1924. The current facility is beyond repair due to damage from successive earthquakes and has been declared uninsurable, with one-half of a wing already condemned by the state. As of 2010, the county amended HIAC's lease to an annual lease with a one-month termination clause as a result of the tenuous condition of the present structure.

The new Hilo Adult Day Center will complement the future 150 unit Mohouli senior housing complex by providing an on-site quality day care program. The new facility will also provide continuity of care for over 100 clients and their families, as well as prevent the future displacement of these participants and caregivers who would need to find alternative services; including the possibility of costly, premature long term care institutionalization should the current facility become permanently damaged. In addition, the new Hilo Adult Day Center will provide support to family members and caregivers who need a safe place for their loved ones during the day so that they are able to continue working knowing that their family members are being cared for in a nurturing and stimulating environment.

#### 3. The public purpose and need to be served;

The 60+ elder population in Hawaii County has grown at a rate of 37% from 2000-2010, and it is estimated that 1 out of every 4 persons will be 60 years or older by 2020. Based on 2010 census data, approximately 21.8% of persons in Hawaii County are 60 and older. From 1980-2000, the 85+ population in Hawaii County grew by 203%, and it is estimated that by 2020, 1 in 50 persons will be 85 years or older. The growth in elderly population is projected to continue at a rate of over 2% annually compared to the overall population growth rate of 1% per year.

With the tremendous growth in the elderly population in the County of Hawaii, the Hilo Adult Day Center provides an essential service to address the needs of this segment of the population. The existing Hilo Adult Day Center is situated at the Old Hilo Memorial Hospital, which was constructed 88 years ago in 1924 and is considered uninsurable. The floors are cracking and the roof is damaged from repeated earthquakes, and the back section of the east wing has been condemned by the state. The wood within the facility is fully termite ridden, and the plumbing and electrical systems are in dire need of a complete overhaul. Because of the current facility's tenuous condition, the county would prefer not to have occupants in the building and in 2010, amended its lease to one year with a one-month termination clause.

There are 105 participants currently enrolled at the existing facility, 70% of whom are 80 years old and over, and 50% with Alzheimer's disease or some form of dementia. These clients cannot be left at home alone, due to risk of injury and the debilitating emotional stress on individuals and their families. Were it not for its services, Hilo Adult Day Center estimates that approximately 40% of its clientele would be a in a nursing home or other long-term care facility because family members are unable to care for their loved ones during the day.

As the largest single adult day care site in the state, over 100 clients would be displaced in the event Hilo Adult Day Center loses its lease. Within a short amount of time, families would be forced to choose between placing their kupuna in a nursing home and quitting their jobs to stay at home with their loved ones, which would be particularly difficult given that 16.7% of individuals living in East Hawaii are below 100% of the Federal Poverty Level.

The proposed new Hilo Adult Day Center will ensure that these low- to moderate-income seniors and individuals with physical and/or mental challenges are able to participate in safe, mentally stimulating activities during the daytime so that their families can continue their employment and cope with the stress of caregiving. The Hilo Adult Day Center will particularly provide much-needed support to family members and caregivers who need a safe place for their kupuna during the day so that they are able to work and have the peace of mind that their loved ones are being cared for in a nurturing environment.

The new facility will also serve to deter clients from being placed prematurely in long term care facilities, of which taxpayers bear 80-90% of the cost. According to statistics from the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, 90% of individuals are unable to pay for long-term services within three months, but stay for three years until death. Medicaid takes over when personal funds are exhausted, creating a huge tax burden estimated at \$6,000-\$8,000 per month per person residing in long term care facilities. Thus, adult day care services are a financial necessity for not only our low- to moderate-income clients and families, but to all members of the community.

### 4. Describe the target population to be served; and

The Hilo Adult Day Center serves frail, aged elders, and mentally or physically challenged individuals, including those with Alzheimer's or some form of dementia. These physical and/or mental challenges are generally expected to be long, continued and of indefinite durations, most of which were brought on by aging, preclude them from being left alone for long periods of time, and will continue to deteriorate over time. Most of the target population are under doctor's orders to attend the day center, or are participants whose family members worry about their loved one's safety if they stayed at home alone all day.

HIAC also serves caregivers, who either need respite from taking care of loved ones or are unable to take care of family members during the day due to the demands of their employment. Rather than face the guilt associated with the premature institution of their loved ones, these caregivers need a safe and nurturing environment in which to leave their kupuna during the day so they are able to continue their caregiving role in the evenings and weekends without facing burnout.

Seventy-four percent of HIAC's target population are over 80 years old, mostly frail with some dementia. Of the younger group, most have Alzheimers/dementia or are stroke debilitated. Everyone who attends needs some form of care. HIAC estimates that were it not for adult day care, 40% of its target population would be in nursing homes or long-term care facilities. Over 50% of the target population is considered low-income, and no one is turned away or denied services because of inability to pay.

## 5. Describe the geographic coverage.

HIAC serves participants and families from east Hawaii, from Honokaa to Ka'u, although some have attended from as far as Waikoloa.

## 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. The applicant shall:

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

Under the direction of Executive Director Keith Kato, HICDC will have oversight of developing the new Hawaii Adult Day Center, including planning and design, permitting, construction, and close out. Hawaii Island Adult Care Executive Director Paula Uusitalo will be responsible for Hawaii Adult Day Center's daily activities, as well as pre-opening and start-up issues once construction of the new facility is completed.

Grant-in-Aid funds will be used toward construction of the Hawaii Adult Day Center, including grading, site infrastructure, vertical construction, finish grading, final site improvements and landscaping. Funds may also be used toward the purchase of furniture, fixtures and equipment, as well as other related costs.

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

Upon release of Grant-in-Aid funds, HICDC estimates that construction would begin in late fall 2014.

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

Earl Fujikawa will serve as the Owner's Representative throughout the construction phase of the project. Earl will be responsible for periodic job site inspections, and reviewing contractor's pay requests, as well as for the punch list and close out. In his current job as HICDC's Facilities Manager, Earl has been the owner's representative on all seven of the senior housing complexes. In addition, Earl has performed similar functions for several resort residential condominium projects along the West Hawaii coast. As Facilities Manager, Earl provides regular on-site inspections of the work in progress, noting any discrepancies between the contract requirements and the work performed. HICDC will track progress through monthly reports accompanying the contractor's payment requests.

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.

Specific points of completion will be established with the contractor and agency which follow the construction process throughout the period of construction. Grading, site infrastructure, vertical construction, finish grading, final site improvements and landscaping will be the major milestones. Construction reporting is handled on a monthly basis in conjunction with the contractor's pay requests.

#### 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 2014.

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

3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2014.

HICDC plans to submit requests for additional government funding, as well as approach other local and mainland foundations and corporations for support of this project during 2014.

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.

This does not apply.

# 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.

HICDC has extensive experience in implementing, managing and bringing similar projects from conception to occupancy. In the past three years, 29 self-help homes and one 30-unit apartment complex have been completed, and two additional self-help housing projects are currently underway, including the 60-unit Mohouli Heights Senior Neighborhood Phase I project. This project is financed, in part, through HUD, Low Income Housing Tax Credits, and interim loans from the State of Hawaii and the Rural Community Assistance Corporation. Since 1991, HICDC has developed seven senior rental apartment projects totaling 209 units with funding from state, county and federal sources. Over the past five years, HICDC has completed self-help projects totaling approximately \$10 million, and senior rental projects estimated at \$25 million, all which were completed on time and within budget, with no problems encountered.

Keith Kato has served as HICDC's Executive Director since 1996. Keith was responsible for overseeing all seven of the senior complexes, as well as the 60-unit affordable senior rental housing project at Mohouli that broke ground in March 2012.

#### 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. The applicant shall also describe how the facilities meet ADA requirements, as applicable.

HICDC plans to construct a new, approximately 9,000 sq. ft. facility at the Mohouli Heights Senior Neighborhood site. The proposed ADA compliant facility will include large activity areas for energetic clients, as well as for clients that need a quieter atmosphere. These activity areas are particularly important since the more active our clients are during the day, the better rested they are at night when they are at home with their caregivers. In addition, the new Hilo Adult Day Center will be designed to include a covered outdoor activity area for exercise, a commercial kitchen, office space and storage. In conjunction with the Hawaii County Nutrition Program, the commercial kitchen will provide lunch meals, as well as Meals on Wheels to the entire senior housing project.

The two client areas will feature a flexible open area surrounded by strategically placed toilet facilities. Additionally, shower and laundry facilities are planned so that seniors can be bathed at the request of family members. Convenient covered drop off and pick up areas will be incorporated at the new facility, as well as exterior gardens to facilitate walks and provide quiet settings. The gardens will also be designed for gardening

activities, with raised beds so our kupuna can sit and grow vegetables and flowers, even while in a wheelchair. In addition, the gardens will provide a safe place for our seniors with Alzheimer's disease to freely wander around while experiencing nature.

## 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.

The day-to-day operations and supervision of HICDC's paid and volunteer staff is the responsibility of Executive Director Keith Kato, who has served in this capacity since 1996. Keith was responsible for overseeing all seven of the senior complexes, as well as the 60-unit affordable senior rental housing project at Mohouli that broke ground in March 2012. HICDC's staffing for development projects also consists of Business Manager Jan Makanani, and Facilities Manager Earl Fujikawa. Additional outside consultants provide HICDC with assistance in land planning, environmental review, architectural design, civil engineering, and legal services.

Jan Makanani will provide financial control of the project, with overall responsibility for tracking all funding and payments to contractors, as well as maintaining HICDC's financial records. Jan has been with HICDC since 1992, and was responsible for the financial aspects of developing all of the senior housing complexes and self-help homes. In her current capacity as Business Manager, Jan handles all invoices, payments, loan draws, insurance, and maintains the project accounts.

Earl Fujikawa will serve as the Owner's Representative throughout the construction phase of the project. Earl will be responsible for periodic job site inspections, and reviewing contractor's pay requests, as well as for the punch list and close out. In his current job as HICDC's Facilities Manager, Earl has been the owner's representative on all seven of the senior housing complexes. In addition, Earl has performed similar functions for several resort residential condominium projects along the West Hawaii coast. As Facilities Manager, Earl provides regular on-site inspections of the work in progress, noting any discrepancies between the contract requirements and the work performed.

#### Hilo Adult Day Center

The Hilo Adult Day Center is staffed with two Directors, one who serves as the center's nurse and takes care of the more physically challenged individuals or those with Alzheimer's disease, and another who cares for the more akamai participants. Additional staff includes two Program Assistants who are in charge when the directors are not on the floor, and the Activity Leaders. All staff is required to undergo annual training sessions,

monthly in-services, and numerous other professional development opportunities for refresher training and continuous improvement.

Hilo Adult Day Center has had quality assurance and evaluation systems in place for over 13 years. The Center conducts annual surveys and maintains detailed statistics on each participant. In addition, participants are monitored through weekly staff meetings to ensure continuous improvement in program and participant care.

#### 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.

The HICDC Organizational Chart is attached.

#### 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.

This does not apply.

#### B. Licensure or Accreditation

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

Hawaii Island Adult Care's Hilo Adult Day Center is licensed through the Hawaii Department of Human Services-Social Services Division.

## **BUDGET REQUEST BY SOURCE OF FUNDS**

(Period: July 1, 2013 to June 30, 2014)

Applicant: Hawaii Island Community Development Corporation

	UDGET	Total State			1
C	ATEGORIES	Funds Requested			
		(a)	(b)	(c)	(d)
A.	PERSONNEL COST	0			1
	1. Salaries	0			
1	Payroll Taxes & Assessments	0			
1	Fringe Benefits	0			
_	TOTAL PERSONNEL COST	0			
B.	OTHER CURRENT EXPENSES	0	1		
	Airfare, Inter-Island	0			
	2. Insurance	0			
	Lease/Rental of Equipment	0			
	4. Lease/Rental of Space	0			
	5. Staff Training	0			
	6. Supplies	0			
	7. Telecommunication	0			
	8. Utilities	0			
1	<u>9</u> 10				
1	11				
	12				
	13				
1	14				
ı	15				
1	16				
l	17				
	18				
	19				
	20				
	TOTAL OTHER CURRENT EXPENSES	0			
C.	EQUIPMENT PURCHASES	0			
D.	MOTOR VEHICLE PURCHASES	0			
E.	CAPITAL	2,000,000	585,000	4,415,000	
то	TAL (A+B+C+D+E)	2,000,000	585,000	4,415,000	
			Budget Prepared	Bv·	
00	LIBOSE OF ELINDING		Dadget i Tepared		
120	URCES OF FUNDING				
	(a)Total State Funds Requested	2,000,000	Keith Kato		808-969-1158 ext.105
	(b)Other Government Funding	585,000	N		Phone
	(c Foundations and Corporations	4,415,000			1/28/13
	(d)		Signature or Authorized	Oniciai	Date
			Keith Kato, Executive D	irector	
TO	TAL BUDGET	7,000,000	Name and Title (Please		
		,	, , , , , , , , , , , , , , , , , , , ,		

# **BUDGET JUSTIFICATION PERSONNEL - SALARIES AND WAGES**

Applicant: <u>Hawaii Island Community Development Corporation</u>
Period: July 1, 2013 to June 30, 2014

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
Not Applicable				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
		-		\$ -
TOTAL:				
JUSTIFICATION/COMMENTS:				

## **BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES**

Applicant: Hawaii Island Community Development Corp.

Period: July 1, 2013 to June 30, 2014

DESCRIPTION	NO. OF	COST PER	TOTAL	TOTAL
EQUIPMENT	ITEMS	ITEM	COST	BUDGETED
Not Applicable			\$ -	
			\$ -	
		-	\$ -	
			\$ -	
			\$ -	
тотл	ΑΙ.			
DESCRIPTION	NO. OF	COST PER	TOTAL	TOTAL
DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
OF MOTOR VEHICLE			COST	
			\$ -	
OF MOTOR VEHICLE			\$ -	
OF MOTOR VEHICLE			\$ - \$ - \$ -	
OF MOTOR VEHICLE			\$ -	
OF MOTOR VEHICLE			\$ - \$ - \$ -	

# BUDGET JUSTIFICATION CAPITAL PROJECT DETAILS

Applicant: Hawaii Island Community Development Corp.

Period: July 1, 2013 to June 30, 2014

# FUNDING AMOUNT REQUESTED

TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS FY: 2011-2012 FY: 2012-2013		STATE FUNDS OF FUNDS REQUESTED		FUNDING REQUIRED IN SUCCEEDING YEARS	
			FY:2013-2014	FY:2013-2014	FY:2014-2015	FY:2015-2016
PLANS	0	1000	0	0		
LAND ACQUISITION	0	383000	0	0		
DESIGN	0	1000	0	0		
CONSTRUCTION	0	0	2000000	4615000		
EQUIPMENT	0	0	0	0		
TOTAL:	0	385,000	2,000,000	4,615,000		

JUSTIFICATION/COMMENTS: Once Grant-in-Aid funds are released, they will be used toward construction of the new Hilo Adult Day Center. Funds may also be used toward the purchase and installation of furniture, fixtures and equipment, as well as for other related costs as necessary.

## DECLARATION STATEMENT OF APPLICANTS FOR GRANTS AND SUBSIDIES 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 and subsidies 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 or subsidy 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 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.
- 2) 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 or subsidy is awarded shall be conducted or provided.
- 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.

Pursuant to Section 42F-103, Hawai'i Revised Statutes, for grants or subsidies 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.

Hawaii Island Community Development Corporation  Individual or Organization)	
	1/28/13
(Signature)	(Date)
Keith Kato	Executive Director
(Typed Name)	(Title)

## Hawaii Island Community Development Corporation Organizational Chart

