

House District 23

Senate District 12

THE TWENTY-EIGHTH LEGISLATURE
APPLICATION FOR GRANTS
CHAPTER 42F, HAWAII REVISED STATUTES

Log No:

For Legislature's Use Only

Type of Grant Request:

GRANT REQUEST - OPERATING

GRANT REQUEST - CAPITAL

"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.

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

STATE DEPARTMENT OR AGENCY RELATED TO THIS REQUEST (LEAVE BLANK IF UNKNOWN):

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

1. APPLICANT INFORMATION:

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

Street Address: 2051 Young Street #82, Honolulu, HI 96826

Mailing Address: (Same)

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name JEAN LILLEY

Title Executive Director

Phone # 808-847-7676

Fax # N/A

E-mail jean@hawaiihabitat.org

3. TYPE OF BUSINESS ENTITY:

- NON PROFIT CORPORATION INCORPORATED IN HAWAII
- FOR PROFIT CORPORATION INCORPORATED IN HAWAII
- LIMITED LIABILITY COMPANY
- OTHER
- SOLE PROPRIETORSHIP/INDIVIDUAL

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

HAWAII HABITAT REVOLVING LOAN FUND

4. FEDERAL TAX ID # [REDACTED]

5. STATE TAX ID # [REDACTED]

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2016: \$ 858,922

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 \$ 180,000 (RESTRICTED TO NATIVE HAWAIIAN FAMILIES)

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

[REDACTED]

AUTHORIZED SIGNATURE

JEAN LILLEY, EXECUTIVE DIRECTOR
NAME & TITLE

JANUARY 29, 2015
DATE SIGNED



RECEIVED
1-30-15

VP

Application for Grants

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. Please include the following:

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

Founded in 1996, Hawaii Habitat for Humanity Association is a resource development and support organization that connects, strengthens, and accelerates the work of local Habitat for Humanity program offices—or "affiliates"—throughout Hawaii. Our model brings together volunteer labor and donations with low-income partner families who purchase homes through no-profit, no-interest mortgages.

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

Goal: Provide revolving loan funds benefitting at least 35 low-income Habitat partner families located throughout Hawaii. Objective: **Successfully expand Hawaii Habitat Revolving Loan Fund by \$750,000 by June 2016.** Our target population includes low- to very low-income working families, typically earning between 30%-80% of area median income for their communities.

In fall 2014, Hawaii Habitat identified increased revolving loan funds (RLFs) as one of the top needs of our program affiliates. Our affiliates use RLFs to leverage additional funds, matching funds from donors or agencies seeking to multiply their investment in affiliates' work. And the revolving nature of the funds helps both the affiliates and Hawaii Habitat remain strong sustainable organizations. Repayment generates ongoing income for the organizations, and ensures that funds to support homebuilding for future low-income, working families continues in perpetuity.

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

Few would argue that homelessness is a critical issue throughout our state. Each year, an estimated 14,000 people experience homelessness in Hawaii. But contrary to stereotype, Hawaii's high cost of living means that **homelessness impacts the working poor as well as the unemployed.**

About 52% of Hawaii's homeless families include one or more adults who are working full- or part-time, but don't earn enough to find permanent shelter. As a state, Hawaii has the dubious distinction of being the costliest housing market in the nation; in 2014, the average price of a single family home in Hawaii was \$700,000, compared to the national average of \$279,500. Clearly, for many low- and very-low income families in Hawaii, the simple dream of decent, sustainable housing seems out of reach.

The need for housing for low-income households is critical in all counties of Hawaii. According to a study commissioned by the Hawaii Housing and Finance Development Corporation, an estimated 6,000 ownership units and 13,000 rental units will be needed by 2016 to meet the housing demands for households earning less than 80% of area median income. And while emergency shelters and transitional housing address important community needs, they cannot provide permanent affordable housing to hardworking families.

Most housing solutions offered to low-income families in Hawaii focus on rentals. But unlike rental housing, homeownership offers low-income families a true means to **break the cycle of poverty**. In lower income households, non-housing wealth tends to be extremely limited. **Homeownership is a critical means of financial sustainability for lower income households** (for whom housing wealth often equals total wealth), and offers low-income families one of the few paths to financial stability that can be passed to future generations.

There are simply not enough affordable units to meet the needs of low-income households. The 2011 Hawaii Housing Planning Study estimated that for 2012-2016, nearly 4,000 units are required to meet the ownership needs of very low- and low-income households. For every 10 households in Hawaii earning less than 80% of AMI, only 6.4 affordable units are available.

The Habitat for Humanity model, because of its reliance on volunteer labor and donations, is able to circumvent or reduce a number of the barriers to providing affordable homes to Hawaii's working families. The Habitat for Humanity approach to community development and homeownership has led to more than 1 million families — representing 5 million people — improve their living conditions through Habitat's housing since the organization was founded in 1976. **Habitat makes homeownership affordable through "sweat equity" by homebuyers, donated and volunteered services and goods from community partners, and the sale of homes without profit markups, purchased through interest-free mortgages.**

While we recognize that Habitat's model is not the only solution to affordable housing challenges within our state, we do believe that our "**hand up, not a hand-out**" approach can provide low-income working families a path out of poverty. Particularly among Hawaii's families in which one or more adults are working full- or part-time, often at multiple jobs, but still cannot afford

permanent shelter, Habitat for Humanity can offer a unique bridge to homeownership and subsequently, to greater financial stability for themselves and generations to come. What is more, research indicates that homeownership programs addressing high-need populations need to be administered flexibly, offering program assistance, training, and technical assistance tailored to the particular needs of the locality; Habitat for Humanity's model allows for precisely this type of flexible administration.

4. Describe the target population to be served; and

Habitat for Humanity targets low- and very low-income working families for whom homeownership would otherwise be unattainable. Within Hawaii, Habitat homeowners are among the working poor, typically earning between 30%-80% of the area median income (AMI) in their communities. In 2014 statewide average calculation for this range is \$23,150 - \$61,750 for a family of four persons according to the US Department of Housing and Urban Development.

5. Describe the geographic coverage.

In our specific role as the State Support Organization (SSO) for Hawaii, our coverage area is statewide through partnership with seven local Habitat affiliates throughout the state. Each affiliate serves its local community as follows: **Hale Aloha O Hilo** serves East Hawaii; **Leeward Oahu** serves Leeward Coast (Kunia Road); **West Hawaii** captures North Kohala to South Point; **Molokai** serves the entire island, including the areas of Kalamaula, Hoolehua, and Kapaakea; **Honolulu** serves the island of Oahu, with the exception of the Leeward region; and **Maui** serves the entire islands of Maui and **Lanai**; and **Kauai** serves all of the island, as well.

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;

Scope of Work and Tasks:

Distributed in \$20,000 amounts, our current revolving loan fund (RLF) totals approximately \$2.5 million now revolving 100% of the original funds. These funds were borrowed by our affiliates for construction costs of new and renovation of homes. They are repaid through the mortgage payments of our partner families, which start upon the closing of the mortgage loans.

If awarded, the State of Hawaii GIA grant will allow Hawaii Habitat's RLF to offer greater financing to our affiliates that can be used to supplement more conventional sources of funding in their home building programs. Once the home purchases are complete, the RLFs are paid back at a 0% interest rate over the term of the mortgage (generally 20 years), replenishing the principal for future home-building projects. One of the greatest benefits of the RLF is that it can offer immediate access to capital that might be difficult to obtain otherwise, often at the beginning of the construction project. It can then be leveraged to raise more funding for the project. This leveraging benefit can be used in both donor and grant funding.

During the grant term, Hawaii Habitat's supported activities will directly benefit at least 35 low-income Habitat partner families located throughout the state. Based on our data from 2014, we provided homeownership opportunities for 29 low-income families by leveraging approximately \$3.5 million in loans for zero-interest mortgages. We anticipate providing similar opportunities for an additional 30-35 families throughout Hawaii in 2015.

Results: In the near-term, the primary anticipated result of our grant request is the provision of at least \$20,000 per family in revolving loan funds benefitting at least 35 Habitat partner families in Hawaii. The secondary anticipated result is the expansion of our current RLF by \$750,000 (30%) of its current capacity by June 2016, allowing us to help affiliates better meet the early-stage financing needs of their expanding homebuilding programs and assist greater numbers of partner families.

Outcomes: Both our primary and secondary anticipated results will yield substantial long-term outcomes for the low-income population Habitat targets.

- *Outcome 1:* By June 2017, 35 low-income partner families will have begun establishing financial stability through homeownership. Providing revolving loan funds to these low-income partner families helps ensure the timely completion of their homes and subsequently assists them in achieving the first steps toward financial security via homeownership.
- *Outcome 2:* By June 2016, Hawaii Habitat's revolving loan fund will make available at least \$3.25 million in funding, in perpetuity, to provide homeownership to low-income families throughout the state. The expansion of our overall RLF allows for a perpetual investment in decent affordable homeownership for local low-income families. Hawaii Habitat's RLF provides needed "front end" capital that recycles to financially assist future projects. Repaid through the mortgage payments of our partner families, an original investment toward RLF funds for a single family can ultimately benefit more families in perpetuity. Deploying this \$750,000 in funds will provide five

revolved loans the first year, which will continue to increase and grow each year after that.

Measures of Effectiveness: Our measures of effectiveness follow directly from the anticipated results and outcomes stated above:

- By June 2016, 35 low-income Habitat partner families will receive revolving loan funds of at least \$20,000 each, to be used to secure homeownership.
- By June 2017, 90% of these 35 families will have begun accruing home equity through homeownership and maintenance of their mortgages in good standing.
- By June 2018, Hawaii Habitat will have replenished a sufficient portion of the revolving loan funds issued by June 2016 to begin offering additional \$20,000 revolving loans to new partner families.

Additional Benefits: Because limited assets pose the most significant barrier to homeownership for low-income families—a sizeable down payment for a first home is especially difficult for this population—targeted purchase assistance programs such as those Habitat for Humanity offers help overcome the buyer’s lack of down payment and lower the family’s monthly mortgage cost. One of the solutions to overcoming this substantial down payment issue is that **the homebuyer is required to invest hundreds of hours of labor, sweat equity, as the “down payment” or “investment” on their home.** Community financial support and donated labor and materials contribute to keeping the mortgage amount and payments affordable. Through the Habitat model of community partnership and an affordable mortgage, Habitat provides safe, secure, and affordable housing for current generations as well as impacting future generations with a stable environment in which to thrive, receive an education, become the future contributors to the community, and become homeowners themselves, breaking the cycle of poverty.

Homebuyer education is critical to the long-term success of our partner families. We provide extensive support and counseling to families, often helping them to reduce debt, improve their credit rating, and learn financial management techniques that will help them successfully navigate homeownership. Since Habitat is the mortgage holder, we continue our work with families on their financial awareness through the term of their Habitat mortgage. We believe that equipping families with these tools assists not only with homeownership, but also attaining overall life skills.

Responsibilities:

Partner 1, Hawaii Habitat for Humanity Association: As described above, we serve and are accountable to our affiliates, and provide assistance designed to help them accomplish their goal of eliminating poverty housing and homelessness within our state. We will distribute the individual revolving

loans to partner families through our affiliates. The loans will be disbursed as construction loans, which will be incorporated into the families' mortgages for repayment.

Partner 2: Hawaii Habitat Affiliates: Hawaii's seven Habitat affiliates are locally formed non-profits governed by community volunteer Boards of Directors. Some are managed by staff, while others are managed by their volunteer Boards. These local offices provide services and programs to the low-income families we target, and are the direct beneficiaries of Hawaii Habitat's revolving loan funds. Each affiliate's staff and Board are charged with not only constructing the homes but also selecting and supporting partner families, acquiring land for future building or homes for rehabilitation, raising cash and donations to build homes and operate their organizations, originating and servicing up to 30-year mortgage loans, and otherwise managing all aspects of running an efficient and effective nonprofit organization. The affiliates act as the general contractor and the mortgagee of the Partner Families; they guarantee the loan payments to the RLF and will provide necessary action for delinquent payments. The affiliates will pass the RLF payments on to Hawaii Habitat on a quarterly basis.

Partner 3, Partner Families: Partner families constitute our ultimate target population, and are the indirect but final beneficiaries of our revolving loan funds. Habitat partner families can earn up to 80% of area median income. 100% of our partner families are low- or very low-income, 20% include an elderly family member, and 12% include a disabled family member. Families are selected based upon: (a) need (financial and housing); (b) ability to pay the 0% interest mortgage; and (c) willingness to partner.

Homeowners attend extensive homeowner education classes and contribute hundreds of sweat equity hours building their own homes. Homeowners make monthly, zero-percent interest mortgage payments which, along with property taxes, insurance and utilities, do not exceed 30% of their income. Community financial support and donated labor and materials contribute to keeping the mortgage amount and payments affordable.

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

We request funding for a 12-month period of our revolving loan fund expansion project. As stated above, the outcome we seek is to provide revolving loan funds benefitting at least 35 low-income Habitat partner families located throughout Hawaii. Our primary measure of success is the expansion of the Hawaii Habitat Revolving Loan Fund of \$750,000 by June 2016. We anticipate the following schedule of activities to occur, which we have also detailed in a visual timeline:

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Step 1: Assess existing RLF, review/revise current app & program guidelines	█	█										
Step 2: Invite Hawaii Habitat affiliates to provide feedback on existing RLF program	█	█										
Step 3: Ongoing capitalization/expansion of RLF, with goal of \$750,000 by June 2016.	█	█	█	█	█	█	█	█	█	█	█	█
Step 4: Revise eligibility requirements for affiliate borrowers. Determine allowable uses, loan terms, and interest rate.		█	█									
Step 5: Identify loan application reviewer(s).		█	█									
Step 6: Determine specific admin/staffing needs for RLF.		█	█									
Step 7: Solicit applications from affiliates for RLF loans.			█	█	█	█	█	█	█	█		
Step 8: Review submitted loan applications.			█	█	█	█	█	█	█	█		
Step 9: Distribute secured RLF funds to benefit low-income families seeking homeownership via Hawaii Habitat affiliates.				█	█	█	█	█	█	█	█	█

Months 1-2: Assess existing revolving loan fund program, review and/or revise current application and program guidelines for affiliates to receive funds from Hawaii Habitat. Invite affiliates to provide feedback on the existing RLF program, and any changes/modifications they would suggest.

Months 1-4: Ongoing capitalization and expansion of the RLF, with a goal of \$750,000 secured by June 2016.

Months 2-3: Revise eligibility requirements and application criteria for affiliate borrowers, per program review and solicited feedback. Determine

allowable uses, loan rates, loan terms, minimum/maximum loan amount, etc. Identify team or committee of reviewers to review loan applications. Determine specific administrative support/staffing necessary to support Revolving Loan Fund.

Month 3-11: Solicit applications for revolving loan funds from Hawaii Habitat affiliates. Review submitted loan applications on rolling basis.

Month 4-12: Distribute secured RLF funds to affiliates on rolling basis, with the end goal of benefitting low-income families seeking homeownership via Hawaii Habitat affiliates.

Once the loans are disbursed, Hawaii Habitat will continue to collect payments on the loans (up to 240 payments per loan) and will re-disburse the funds as they become available.

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

Hawaii Habitat's process for providing revolving loan funds actually begins at the local affiliate level. First, a Habitat affiliate selects a partner family using established Habitat criteria as described above, and provides pre-construction information and training to the family. As the construction process begins, the affiliate applies for a revolving loan of up to \$20,000 to cover construction related costs, including permits, surveys, machinery, equipment, etc. Upon receipt, Hawaii Habitat reviews the application and works with the applicant affiliate to ensure information needed to process the loan is obtained. Once processed, Hawaii Habitat will issue the loan in full through the affiliate.

Once construction of the home is completed and the home is sold from the affiliate to the partner family, the family assumes monthly payments to the affiliate to pay for their 0% mortgage. The affiliate then forwards RLF payments to Hawaii Habitat on a quarterly basis. As quarterly payments are made to Hawaii Habitat, the RLF is replenished, allowing Hawaii Habitat to issue more \$20,000 loans.

Our quantitative evaluation, therefore, occurs on a quarterly basis. Each quarter, we will track: (a) the number of revolving loans issued to each affiliate; (b) the total number of active loans statewide; (c) the total amount of funds disbursed to partner families; and (d) the total amount of funds available for disbursement to additional families. In addition, we will monitor payments made toward the loan balances that occur each quarter. Beyond this quantitative evaluation, we will be in regular contact with affiliate staff to ensure that the revolving loans are being issued in a timely fashion, that the loans meet the funding needs of the affiliates, and that partner families are able to make payments as scheduled.

With regard to quality assurance: The affiliate guarantees the loan and works directly with the partner family in the case of a delinquency. Should the loan become delinquent with Hawaii Habitat, the local affiliate must resolve the delinquency issue before any additional loans are issued to other partner families within that affiliate's service area. If the delinquency continues, Hawaii Habitat will take appropriate action to collect the payments directly from the families until the outstanding delinquency has been settled. Hawaii Habitat has established policies and procedures that have been successfully used for resolving revolving loan fund delinquencies. For this reason, Hawaii Habitat requires that the affiliates submit their financial statements quarterly, which will assist Hawaii Habitat in working with the affiliate and their delinquencies.

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.**

As stated above, we anticipate using the following measures of effectiveness:

- By June 2016, 35 low-income Habitat partner families will receive revolving loan funds of at least \$20,000 each, to be used to secure homeownership.
- By June 2017, 90% of these 35 families will have begun accruing home equity through homeownership and maintenance of their mortgages in good standing.
- By June 2018, Hawaii Habitat will have replenished a sufficient portion of the revolving loan funds issued by June 2016 to begin offering additional \$20,000 revolving loans to new partner families.

Each quarter, Hawaii Habitat will generate a report regarding the status of the RLF. The report will include, on both an affiliate-specific and statewide basis: (a) the number and amount of loans disbursed; (b) expected pay returns; and (c) the number and amount of loans expected to be disbursed from the replenished funds. For example, assuming 35 revolving loans are disbursed during Quarter 1 of 2016, quarterly loan payments to Hawaii Habitat will begin on March 31, 2016. On this basis, we would expect that the first new loan from the replenished fund will be available to affiliates in Spring 2018.

III. Financial

Budget

- 1. The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.**

Please see Budget Forms 2015GIAPage5 and 2015GIAPage6, attached. Please note that because funding is not being requested for Equipment and Motor Vehicles, nor for Capital Projects, Budget Forms 2015GIAPage7 and 2015GIAPage 8 are Not Applicable to our proposal.

- 2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2016.**

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$214,730	\$214,730	\$214,731	\$214,731	\$858,922

- 3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2016.**

Hawaii Habitat has submitted an application to the Office of Hawaiian Affairs seeking \$300,000 in funds toward the Native Hawaiian revolving loan fund, which is the same criteria as our GIA fund requirement, but limited to Native Hawaiian families only.

We have submitted a technical assistance grant proposal to the US Department of Treasury for setting the groundwork for Hawaii Habitat to becoming a Community Development Financial Institute (CDFI) for low income housing. The grant funds will prepare us for an application for the CDFI in 2016, with the hope that in 2017 we will be a fully vested lender.

- 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.**

Not applicable.

- 5. The applicant shall provide a listing of all government contracts and grants it has been and will be receiving for program funding.**

Not applicable.

5. **The applicant shall provide the balance of its unrestricted current assets as of December 31, 2014.**

Please see "Hawaii Habitat for Humanity Association Balance Sheet," dated December 31, 2014, attached.

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.

Since its founding, Hawaii Habitat has worked in partnership with local Habitat program affiliates to secure funding and provide financial and administrative infrastructure as well as technical expertise. **Because we represent Hawaii's cadre of Habitat for Humanity program offices in their entirety, we have been able to facilitate partnerships with organizations and agencies seeking impact on a statewide—rather than local—scale.** Hawaii Habitat has successfully administered grants from state, federal, and foundation funders in support of the affiliates' work, including: the Case Foundation (\$5 million); State of Hawaii Grants in Aid (totaling \$1 million); Office of Hawaiian Affairs (\$1.5 million); Federal Home Loan Bank (\$532,000); and the Department of Hawaiian Homelands (DHHL) (\$3 million). Our administrative support has in turn allowed the affiliates to increase their impact. In the past eight years, we have helped the affiliates secure \$4.4 million in funding through State Grants in Aid, DHHL, OHA, and FHLB, which has translated into over 100 additional homes built, refurbished, or in process for the same number of families. In 2013, we provided homeownership opportunities for 26 low-income families by leveraging \$3.8 million in loans for zero-interest mortgages. All of these homes are new homes on Hawaiian Home Lands.

One of our greatest strengths with regard to our proposed Grant Activity is that we have an established track record in administering revolving loan funds. Hawaii Habitat has successfully administered revolving loan funds since 1997. That year, we received an \$800,000 loan from the Office of Hawaiian Affairs (OHA) to establish revolving loan funds for our affiliates. These \$20,000 loans benefitted 40 families; their mortgage payments in turn repaid the original loan from OHA. OHA provided further funding in 2006, when it awarded the first of five \$300,000 installments (totaling \$1.5 million). \$1.32 million of this total has been distributed—again

in \$20,000 increments—benefitting 66 Hawaiian families. These funds are currently being revolved internally by Hawaii Habitat.

From 2007 to 2008, we received a total of \$1 million in State of Hawaii GIA funds, which were distributed in \$20,000 increments to benefit 50 families from the original funds, as well as an additional six families from revolved funds. These GIA funds have typically benefitted non-Hawaiian families, for whom OHA funds are not available. Through our relationships with local program offices—relationships that we feel are an additional strength in our administration of our revolving loan funds—we are able to capitalize on an existing structure for distributing RLFs to benefit low-income families.

While the OHA loan to establish our RLF was an invaluable source of seed funding, its limitation is that it can only be used to serve Native Hawaiian families. **State of Hawaii GIA RLF funds have the benefit of being used to serve ALL low-income families in Hawaii.** Over the next three years, we anticipate increasing our statewide house production by nearly 170%, requiring approximately \$1.46 million in revolving loan funding. Because our local program affiliates across the state, each have ongoing projects involving multiple families. **We anticipate our currently available RLF funds being depleted before June 2015.** In order to meet the RLF needs throughout the state, we recognize the need to expand our RLF as proposed in this application.

Currently across the state there are 37 Habitat homes under construction and an additional 71 qualified Habitat homebuyers who are enrolled in finance literacy programs to prepare for the next step of construction on their homes.

In March 2014, we also secured a three-year, \$95,000 grant award from Habitat for Humanity International (HFHI) to support Hawaii Habitat's capacity building efforts; we were one of just 20 Habitat offices and the only state support organization to secure such funding this year. The award supports our recently hired Community Outreach Director who, through state-level community partnerships, will grow the affiliates' volunteer networks, in-kind gifts and donations, and potential sponsorship and collaboration opportunities.

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.

Not applicable. Hawaii Habitat currently operates with a “virtual office,” i.e., a significant portion of the organization’s operations occur using technology and without a physical office space, which allows the organization to maintain low overhead costs. The Executive Director and Community Outreach Director currently work from home and arrange community meetings as needed.

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.

As noted above, Hawaii Habitat was recently awarded a grant from Habitat for Humanity International to support our capacity building efforts, including the hire of a full-time Community Outreach Director (COD) who will assist in RLF administration. Christopher Wong was hired in this capacity in April 2014. The COD will be supervised by the Executive Director (ED), and both individuals will allocate approximately 25% of their time to the administration and management of the RLF. We have included job descriptions for both positions; please see “Job Title: Executive Director” and “Job Title: Community Outreach Director,” attached.

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 organization chart that illustrates the placement of this request.

Please see “Hawaii Habitat for Humanity Association Organizational Chart,” attached.

C. Compensation

The applicant shall provide the annual salaries paid by the applicant to the three highest paid officers, directors, or employees of the organization by position.

Executive Director annual salary: \$65,000 + benefits

Community Outreach Director annual salary: \$50,000 + benefits

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.

Not applicable.

B. 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.

Not applicable.

C. Federal and County Grants

The applicant shall separately specify the amount of federal and county grants awarded since July 1, 2014.

Not applicable.

D. 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 Article X, Section 1, of the State Constitution for the relevance of this question.

Not applicable.

E. Future Sustainability Plan

The applicant shall provide a plan for sustaining after fiscal year 2015-16 the activity funded by the grant if the grant of this application is:

(1) Received by the applicant for fiscal year 2015-16, but

As stated above, we expect that we will distribute the full amount of this original grant through loans by June of 2016 to provide housing for up to 35 low-income families.

(2) Not received by the applicant thereafter.

The loans will be paid back to Hawaii Habitat by the program affiliates on a monthly basis providing more funds to be lent for more the construction on more homes. Within the first year of the loans released between 2015-16 five additional loans will be available from the payments made on the original 35 loans. The loans will continue to revolve in perpetuity.

The regenerative nature of the revolving loan fund allows for a perpetual reinvestment in decent affordable homeownership for low-income families. By providing capital that is not available to individual partner families through traditional means, Hawaii Habitat's revolving loan provides much-needed flexible financing that recycles to financially assist future homebuilding projects. Repaid through the mortgage payments of our partner families, an original investment toward revolving loan funds for a single family can ultimately benefit tens or hundreds more families over time.

F. Certificate of Good Standing (If the Applicant is an Organization)

If the applicant is an organization, the applicant shall submit one (1) copy of a certificate of good standing from the Director of Commerce and Consumer Affairs that is dated no earlier than December 1, 2014.

Please see attached file: "Certificate of Good Standing"

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2015 to June 30, 2016

Applicant: Hawaii Habitat for Humanity Association, Inc.

BUDGET CATEGORIES	Total State Funds Requested (a)	Total Federal Funds Requested (b)	Total County Funds Requested (c)	Total Private/Other Funds Requested (d)
A. PERSONNEL COST				
1. Salaries	28,750			23,750
2. Payroll Taxes & Assessments	2,872			
3. Fringe Benefits, estimated 8%	2,300			
TOTAL PERSONNEL COST	33,922			23,750
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 Capitalization of revolving loan fund expar	750,000			300,000
10 Indirect costs of RLF Administration, esti	75,000			30,000
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES	825,000			330,000
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL				
TOTAL (A+B+C+D+E)	858,922			353,750
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	858,922	Jean Lilley 608-847-7676		
(b) Total Federal Funds Requested	0	Name (Please type or print) Phone		
(c) Total County Funds Requested	0	January 29, 2015		
(d) Total Private/Other Funds Requested	357,140	Signature of Authorized Official Date		
TOTAL BUDGET	1,216,062	Jean Lilley, Executive Director Name and Title (Please type or print)		

BUDGET JUSTIFICATION - PERSONNEL SALARIES AND WAGES

Period: July 1, 2015 to June 30, 2016

Applicant: Hawaii Habitat for Humanity

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
Executive Director	1	\$65,000.00	25.00%	\$ 16,250.00
Community Outreach Director	1	\$50,000.00	25.00%	\$ 12,500.00
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
TOTAL:				28,750.00
JUSTIFICATION/COMMENTS:				

**Hawaii Habitat for Humanity Association
Board of Directors**

Executive Director
Revolving Loan Fund
Administrator

**Community Outreach
Director**
Revolving Loan Fund support
through communications and
direct contact

Operations Manager
(currently vacant)
Revolving Loan Fund
coordinator and manager
(should position be hired the
Executive Director's time will
be reduced to 10% and the
Community Outreach
Director to 0%)



Job Title: *Community Outreach Director*

Purpose: *Building statewide partnerships and opportunities that will benefit the affiliates through discounted and in-kind services and materials. Create awareness across the state about Habitat programs and ReStores.*

Time Commitment: *Full time*

Direct Supervisor: *Executive Director*

Qualifications:

- Bachelor's Degree, preferably in Communication, Business, Public Relations, or similar
- Passion for Habitat model and mission
- Strong organizational skills
- Proficiency with Microsoft Office
- Database management experience
- Social Media experience – understanding of best practices with nonprofit social media strategies preferred
- Experience with website management and best practices
- Broadcast and Print Media experience/knowledge
- Writing – press releases, PSAs and proposals for services
- Speaking – attend civic group and church meetings and other speaking opportunities across the state
- Creativity – Develop appropriate materials to present to current and potential partners
- Exhibits – Knowledge of exhibit requirements for successful outreach
- Willingness to discuss Habitat with community connections
- Prompt and timely completion of tasks, ability to meet deadlines set by Executive Director, Board of Directors and community partners
- Ability to manage multiple projects and deadlines
- Ability to negotiate appropriate services and product donations/offerings
- Ability to work remotely with a diverse group of people

Duties:

- Ongoing communication with the seven affiliates to understand and discuss needs for services and materials
- Prioritize needs and suggestions
- Identify corporations and businesses with statewide presence
- Develop a contact plan for current and new partners
- Website – update on a regular basis

- **Social Media** – responsible for communication efforts through Facebook and Twitter accounts
- **Advocacy** – support advocacy efforts of organization through research, community partners and materials
- **Business relations** – grow relationships with the business community by providing information about volunteer activities with affiliates or needs of goods and services they can provide
- **Partnership tracking** – Track all partnerships (new and current) through a database system
- **Awareness and Public Relations activities** – responsible for writing press releases and developing statewide awareness opportunities
- **Create exhibit materials and staff exhibits at events**
- **Develop and disseminate monthly electronic communication, such as e-newsletters via Constant Contact**
- **Manage affiliate benefit programs** – create and develop systems for tracking and reporting on programs as they develop
- **Other duties as assigned by the Executive Director**



Job Title: *Executive Director*

Purpose: *The Executive Director is the chief executive officer of Hawaii Habitat for Humanity Association, Inc. and is a non-voting member of the Board of Directors and the Executive Committee. The Executive Director shall have overall responsibility for the management of the affairs of the corporation, in accordance with the policies and objectives set by the Board of Directors.*

Time Commitment: *Full-time*

Direct Supervisor: *Board Chair and the Executive Committee*

Primary Job Duties:

A. Advocacy and Education

- Media and government relations, and general advocacy for affordable housing initiatives
- Hawaii Habitat public image and stature
- Goal-oriented marketing initiatives

B. Training and Affiliate Development

- Development and implementation of affiliate training needs
- Coordination with HFHI training initiatives
- Promotion of cross-affiliate communication and best-practices sharing
- Establishment of affiliate mentoring system

C. Fundraising and Resource Development

- Foundation, corporate, individual and government grants development to benefit the mission of Habitat for Humanity throughout Hawaii, including grant writing and administration, and managing grantor relationships
- Development, implementation and management of affiliate capacity-building programs
- Development, implementation and management of strategic partnerships benefiting affiliates.

D. Management and Administration

- Administration and supervision of office and staff
- Financial management of budget for statewide organization
- Affiliate, HFHI and other associate relations and communication
- Board and committee management and support

E. Knowledge, Skills, and Abilities:

- Leadership, facilitation, collaboration, partnership-building and interpersonal communication skills
- Fundraising and resource development
- Knowledge of urban and rural affordable housing challenges and opportunities, non-profit housing legal and regulatory environment, and knowledge and experience in residential real estate development, construction and finance, as specifically related to affordable housing
- Written and oral communication skills, including public speaking and presentation, and marketing, public relations and advocacy abilities
- Grant writing, grant management and business development skills

F. Education and Experience Requirements:

- Educational background commensurate for position.
- Experience managing a non-profit organization, or other applicable management experience
- Experience and demonstrated success in business, training or grants development
- Experience in affordable housing, poverty issues or community development preferred.

Hawaii Habitat for Humanity Association

BALANCE SHEET

As of December 31, 2014

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Everbank 0810004763	449,930.37
FHB Checking	16,409.48
FHB Checking ..7332	100.00
FHB Savings	18,143.84
Schwab Brokerage Account	16,692.04
Total Bank Accounts	\$501,275.73
Other current assets	
Due From Affiliates	154,163.12
Grants Receivable	-50,000.00
Total Other current assets	\$104,163.12
Total Current Assets	\$605,438.85
Fixed Assets	
A/D - Office Equipment	-5,383.99
A/D - Software	-25,352.84
Computer Equipment	5,383.99
Software	25,352.84
Total Fixed Assets	\$0.00
Other Assets	
Loans Due from Affiliates	1,838,692.05
Unamortized Discount L/R	-883,027.00
Total Other Assets	\$955,665.05
TOTAL ASSETS	\$1,561,103.90
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	9,420.00
Total Accounts Payable	\$9,420.00
Credit Cards	
FHB Bus CC 2382	1,104.88
Total Credit Cards	\$1,104.88
Other Current Liabilities	
Payroll Taxes Payable	1,405.81
Total Other Current Liabilities	\$1,405.81
Total Current Liabilities	\$11,930.69

Long-Term Liabilities	
Loans Due - OHA	53,177.18
	<hr/>
Total Long-Term Liabilities	\$53,177.18
	<hr/>
Total Liabilities	\$85,107.87
Equity	
RESTRICTED FUNDS	2,500,000.00
Retained Earnings	-930,941.59
Net Income	-73,062.38
	<hr/>
Total Equity	\$1,495,996.03
	<hr/>
TOTAL LIABILITIES AND EQUITY	\$1,561,103.90
	<hr/> <hr/>

Wednesday, Jan 28, 2015 03:38:33 PM PST GMT-10 - Accrual Basis



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

HAWAII HABITAT FOR HUMANITY ASSOCIATION, INCORPORATED

was incorporated under the laws of Hawaii on 08/21/1996 ;
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: December 15, 2014

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.
- 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 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.

Hawaii Habitat for Humanity Association Inc.

(Typed Name of Individual or Organization)

January 29, 2015

(Signature)
Jean Lilley

(Date)
Executive Director

(Typed Name)

(Title)