



1003 Bishop Street • Suite 765 • Honolulu, HI 96813  
Phone: (808) 585-7931 • Fax: 585-7932 • [www.hipaonline.com](http://www.hipaonline.com)

January 30, 2015

Senate Committee on Ways and Means  
State Capitol, Rm. 207  
Honolulu, HI 96813

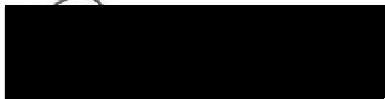
Dear Chair Tokuda and Committee Members,

Thank you for this opportunity to submit a request for a Grants in Aid. We are submitting a request review the public policy issues surrounding needed infrastructure to build more affordable housing. Not only will this assist in helping to ease the affordable housing shortage but it will also create jobs thus growing our economy.

Attached at the end of the forms is the timeline and my resume.

If you have questions, please contact me at 808-551-7612.

With Aloha,



Jeanne Schultz Afuvai  
President & CEO

House District 26  
Senate District 13

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):  
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM – OFFICE OF PLANNING  
STATE PROGRAM I.D. NO. (LEAVE BLANK IF UNKNOWN): \_\_\_\_\_

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:  
Hawaii Institute for Public Affairs (HIPA)

Dbas: None

Street Address: 1003 Bishop Street, Suite 765, Honolulu, HI 96813

Mailing Address: 1003 Bishop Street, Suite 765, Honolulu, HI 96813

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name: JEANNE SCHULTZ AFUVAI

Title: President and CEO

Phone #: (808) 551-7612

Fax #: (808) 585-7932

E-mail: jschultz@hipaonline.com

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:

INFRASTRUCTURE PLANNING, FINANCING AND POLICY DEVELOPMENT FOR PUBLIC AND PRIVATE PHYSICAL INFRASTRUCTURE TO SUPPORT AFFORDABLE HOUSING IN HAWAII.

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

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

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2016: \$ 100,000.00

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 \$ NONE  
FEDERAL \$ NONE  
COUNTY \$ NONE  
PRIVATE/OTHER \$ NONE

TYPE, NAME & TITLE OF AUTHORIZED REPRESENTATIVE

AUTHORIZED SIGNATURE

PRESIDENT & CEO  
NAME & TITLE

DATE SIGNED



RECEIVED  
1-30-15

✓

## Application for Grants

### Infrastructure Planning, Financing and Policy Development for Public and Private Physical Infrastructure to Support Affordable Housing in Hawaii

#### Section I. Background and Summary

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

#### **HIPA's Mission**

The Hawaii Institute for Public Affairs generates and communicates new knowledge and original research to improve the quality of life in our Islands. By creating an informed atmosphere for policymakers and community members, we open new opportunities to strengthen Hawaii's economy, society and environment.

We are Hawaii's first independent and nonpartisan public policy institute. We are founded on a philosophy of community collaboration, fact-based research and issues education. Our tools include convening small- and large-scale community conversations, surveying stakeholders and industry leaders, gathering scientific data, measuring public opinion, and communicating through the media, Internet and additional channels.

2. The goals and objectives related to the request;

The state of physical infrastructure in the U.S. is in severe disarray. It is estimated by the American Society of Civil Engineers that there is \$3.6 Trillion in infrastructure needs in the next twenty years within the U.S.

Hawaii, like all states, is facing huge infrastructure needs that affect the safety and health of our citizens, the economy of our state and counties and the jobs that employ our workers. The Report on The State of Physical Infrastructure in Hawaii – Phase II published by the Hawaii Institute for Public Affairs in June 2014 states that there are over \$15 Billion in needed high-value infrastructure projects over the next 20 years. These projects will generate close to \$33 Billion into Hawaii's economy and generate over 212,000 jobs.

The Goal of this request is to build more affordable housing by providing the infrastructure that is required. Providing the infrastructure necessary for affordable housing will positively impact safety and health, the economy and jobs.

There are four major objectives within this request. The first is to review the current plans affecting affordable housing. The second is to determine the financing that is required and how that financing can be achieved. The third is to apply the financing mechanisms that appear to be the most reliable to the most important projects. The fourth is to determine what public policy



changes need to be made in order to achieve the infrastructure required to build affordable housing.

The objectives will be achieved by bringing together the governmental entities responsible for implementing public policies as they relate to affordable housing with the private sector from the design, planning, engineering, construction, financing and social services communities.

3. The public purpose and need to be served;

Hawaii is in a crisis mode as it relates to affordable housing. Currently, Hawaii is short 13,000 affordable units – both rental and sale. Only 1,000 units are delivered annually thus putting Hawaii into a 13 year backlog. There are no unified plans to bridge that gap. At a one and one half day Housing Summit held by the Land Use Research Foundation in December 2014, no comprehensive plan was put forward to solve this problem. The result is more and more families and individuals are finding it impossible to secure shelter and thus become homeless. This must be addressed and our most vulnerable populations must be securely housed. To not address this basic issue puts the entire concept of the Aloha Spirit and 'Ohana at risk. The infrastructure that is required for the building and renovating of affordable housing units must be planned and financed.

Public policy regarding this issue needs to be discussed and financial models created to deal with this very real and important problem.

4. Describe the target population to be served;

The target population to be served are the people of Hawaii. All residents are impacted by the lack of affordable housing. It means that our children and grandchildren cannot find a home of their own and often move to the mainland where housing is more plentiful and within their price range. We are also affected by the increase in homelessness as even families with jobs can't afford or find a place to rent. The burden is placed on social service providers, on schools dealing with children of the homeless that come lacking so many things that others take for granted, on families who want to enjoy parks and open spaces that have been taken over by homeless men and women, and on businesses that face the daily tasks of cleaning the sidewalks outside their shops or restaurants.

The homeless need to be given the opportunity to find housing in order to restart their life in a healthier and more productive way.

5. Describe the geographic coverage.

The geographic coverage includes all the islands. Affordable housing is an issue on all of our inhabited islands.

## II. Service Summary and Outcomes

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

The scope of work will include the following in the first quarter of FY 2015-2016:

Facilitated meetings to review the current infrastructure plans to produce the required affordable housing will be held. The groups that will be invited to undertake this task include but not limited to elected officials, the state office of planning and state HHFDC, planning departments and housing agencies of the four counties, LURF, BIA, ULI, Chamber of Commerce Hawaii, HIPA, non-profit groups involved in solving the housing crisis, developers, members of the building trades and social service organizations.

Once the working group has an understanding of the extent of the problems, meetings will be convened to discuss the financing mechanism available to pay for the necessary infrastructure. Experts in the area of finance will be made available to assist in the best financing alternatives and models.

The financial conclusions will be overlaid onto the current infrastructure plans to determine where changes need to be made and the effect that will have on the overall objectives.

Public policy changes will be identified during the entire process. However, the legal review that will be required falls outside the time frame for this request.

In the second quarter of FY 2015-2016 the following will occur:

The working groups will meet to finalize their findings and a legislative package will be prepared for the 2016-2017 Legislative Session.

In the third and fourth quarters of FY 2015-2016 the following will occur:

The working groups will be present at the 2016-2017 Legislative Session to present information and discuss with the legislators.

Communications with the general public, the business community, the labor unions and others will take place to inform and educate. This will be the beginning of an outreach program that will continue at an Infrastructure Symposium that will be outside the timeframe of this request. The date is tentatively planned for the Summer of 2016. Private funding will be sought for the Symposium.



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

The annual timeline from July 2015 to June 2016 is attached.

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

HIPA will continually monitor the activities of the working groups to stay within the timeframe outlined. The content of the work product will be evaluated with the core group supporting this GIA and with the County Planning Departments. Feedback will be reviewed by the working groups with the results used in the final report.

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.

The Office of Planning as a part of the Department of Business, Economic Development and Tourism has agreed to be the expending agency. The Goal of this request is to build more affordable housing by providing the infrastructure that is required. There is currently a backlog of 13,000 units of affordable units – rental and sale. The Office of Planning can assess this requests achievement by determining the reduction in the backlog. Because the request is for one year, the assessment will need to look at the progress made in the planning and financing of affordable units and the type of policy changes that are recommended to determine the level of success.

### III. Financial

#### Budget

1. The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.  
*Submitted. Please see attached pages 5 thru 9 of this application*
2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2015-2016.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$30,363	\$35,443	\$17,096	\$17,098	\$100,000

3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2015-2016.  
*None.*
4. The applicant shall provide a listing of all state and federal tax credits it has been granted within the prior three years.  
*None.*  
  
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.  
*None.*
5. The applicant shall provide a listing of all government contracts and grants it has been and will be receiving for program funding.  
*None.*
6. The applicant shall provide the balance of its unrestricted current assets as of December 31, 2014.  
*\$77,000*

#### **IV. Experience and Capability**

##### **A. Necessary Skills and Experience**

The Hawaii Institute for Public Affairs is a public policy firm with over 12 years of experience dealing with complicated and difficult issues facing Hawaii. HIPA's skill is to bring together many groups or stakeholders to define an issue, provide the appropriate data and determine a course of action. That course of action is then presented to decision makers.

For this specific request, HIPA has completed two reports on the state of infrastructure in the State and Counties of Hawaii. These two reports were completed with matching funds from the U.S. Department of Commerce, Economic Development Administration. Additional sponsors included Hawaii businesses and associations.

The first report or Phase I identified the physical infrastructure needs for the fiscal years from 2010 to 2015. The second report or Phase II looked at the economic impact and job creation of the high-value physical infrastructure projects from 2014 to 2034.

These reports are available at [www.hipaonline.com](http://www.hipaonline.com).

**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.

*None.*



## 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.

Jeanne Schultz Afuvai, President and CEO of HIPA will provide the facilitation necessary for the meetings that will be called. She will be joined by supporting partners from LURF, ULI, Chamber of Commerce Hawaii and BIA. Ms. Afuvai's bio is attached.

The meetings to discuss the financing alternatives and models will be led by an expert in the field.

### 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.

Jeanne Schultz Afuvai is the only executive at HIPA.

### 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.

1. *Jeanne Schultz Afuvai, President & CEO: \$87,500 per year*
2. *N/A; HIPA has no other compensated employees, officers, or directors*
3. *N/A; HIPA has no other compensated employees, officers, or directors*

## **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.

*None.*

### **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.

*None.*

### **C. Federal and County Grants**

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

*None.*

### **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.

*None.*

### **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
- (2) Not received by the applicant thereafter.

***Funds for the legal review of the policy issues will be sourced from members of the business and labor communities.***

**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 find attached DCCA Certificate of Good Standing dated December 9<sup>th</sup>, 2014*



## BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2015 to June 30, 2016

Applicant: Hawaii Institute for Public Affairs (HIPA)

BUDGET CATEGORIES	Total State Funds Requested (a)	Total Federal Funds Requested (b)	Total County Funds Requested (c)	Total Private/Other Funds Requested (d)
<b>A. PERSONNEL COST</b>				
1. Salaries	35,000	-	-	-
2. Payroll Taxes & Assessments	2,678	-	-	-
3. Fringe Benefits	1,176	-	-	-
<b>TOTAL PERSONNEL COST</b>	<b>38,854</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>B. OTHER CURRENT EXPENSES</b>				
1. Airfare, Inter-Island	4,800.00	-	-	-
2. Insurance	-	-	-	-
3. Lease/Rental of Equipment	-	-	-	-
4. Lease/Rental of Space	13,200.00	-	-	-
5. Staff Training	-	-	-	-
6. Supplies	600.00	-	-	-
7. Telecommunication	1,200.00	-	-	-
8. Utilities	1,200.00	-	-	-
9. Rooms for NI Participants	600	-	-	-
10. Consultant - Coordinator	3,200	-	-	-
11. Consultant - Communications	10,000	-	-	-
12. Consultant - Financial Expert	10,000	-	-	-
13. Consultant - Report Publication	16,346	-	-	-
14. Travel	-	-	-	-
15. n/a	-	-	-	-
16. n/a	-	-	-	-
17. n/a	-	-	-	-
18. n/a	-	-	-	-
19. n/a	-	-	-	-
20. n/a	-	-	-	-
<b>TOTAL OTHER CURRENT EXPENSES</b>	<b>61,146</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C. EQUIPMENT PURCHASES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>D. MOTOR VEHICLE PURCHASES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>E. CAPITAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL (A+B+C+D+E)</b>	<b>100,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>SOURCES OF FUNDING</b>		Budget Prepared By:		
(a) Total State Funds Requested	100,000	Joyce Kato	(808) 386-8519	
(b) Total Federal Funds Requested	0	Name (Please type or print)	Phone	
(c) Total County Funds Requested	0	[REDACTED]	Date	
(d) Total Private/Other Funds Requested	0	Signature of Authorized Official	Date	
<b>TOTAL BUDGET</b>	<b>100,000</b>	Jeanne Schutiz Afuvai, President & CEO	1/30/15	
		Name and Title (Please type or print)		



## BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Period: July 1, 2015 to June 30, 2016

Applicant: Hawaii Institute for Public Affairs (HIPA)

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
None	N/A	\$0.00	\$ -	0
↓	↓	\$0.00	\$ -	0
↓	↓	\$0.00	\$ -	0
↓	↓	\$0.00	\$ -	0
↓	↓	\$0.00	\$ -	0
<b>TOTAL:</b>				<b>0</b>
<b>JUSTIFICATION/COMMENTS: Not applicable</b>				

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
None	N/A	\$0.00	\$ -	0
↓	↓	\$0.00	\$ -	0
↓	↓	\$0.00	\$ -	0
↓	↓	\$0.00	\$ -	0
↓	↓	\$0.00	\$ -	0
<b>TOTAL:</b>				<b>0</b>
<b>JUSTIFICATION/COMMENTS: Not applicable</b>				



## BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2015 to June 30, 2016

Applicant: Hawaii Institute for Public Affairs (HIPA)

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2013-2014	FY: 2014-2015	FY:2015-2016	FY:2015-2016	FY:2016-2017	FY:2017-2018
PLANS	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
LAND ACQUISITION	↓	↓	↓	↓	↓	↓
DESIGN	↓	↓	↓	↓	↓	↓
CONSTRUCTION	↓	↓	↓	↓	↓	↓
EQUIPMENT	↓	↓	↓	↓	↓	↓
<b>TOTAL:</b>	↓	↓	↓	↓	↓	↓
JUSTIFICATION/COMMENTS: Not applicable						

# GOVERNMENT CONTRACTS AND/OR GRANTS

Applicant: Hawaii Institute for Public Affairs (HIPA)

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S. / State / Haw / Hon / Kau / Mau )	CONTRACT VALUE
1.	None	None	None	None	None
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
	↓	↓	↓	↓	↓
				TOTAL	None


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

The undersigned authorized representative of the applicant certifies the following:

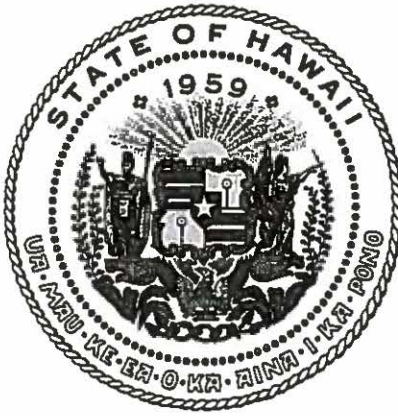
- 1) The applicant meets and will comply with all of the following standards for the award of grants pursuant to Section 42F-103, Hawai'i Revised Statutes:
  - a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide 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 Institute for Public Affairs  
(Typed Name of Individual or Organization)  
 (Signature) 80 (Date) January 30, 2015  
Jeanne Schultz Afuvai (Typed Name) President & CEO (Title)





## 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 INSTITUTE FOR PUBLIC AFFAIRS**

was incorporated under the laws of Hawaii on 06/13/2002 ; 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 09, 2014

Director of Commerce and Consumer Affairs

	A	B	C	D	E	F	G
1		Infrastructure Planning, Financing & Policy Development Supporting Affordable Housing					
2		July - Sept 2015	Oct - Dec 2015	Jan - Mar 2016	Apr-June 2016		
3							
4	Current Plans	xxxx					
5	Affordable Housing						
6							
7	Financing Changes Required	xxxx					
8							
9	Impact on Planning	xxxx					
10							
11	Public Policy Identified	xxxx					
12							
13	Final Working Groups Meet		xxxx				
14							
15	Legislative Package Prep		xxxx				
16							
17	Briefings		xxxx				
18							
19	Legislative Session FY 16-17			xxxx	xxxx		