

House District 7  
Senate District 4

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

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:

KAILAPA COMMUNITY ASSOCIATION

Dbn: KCA

Street Address:

61-4016 KAI OPAE PLACE  
KAMUELA, HI 96743

Mailing Address: Same as Above

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name DIANE KANEALLI

Title PRESIDENT

Phone # (808) 880-9798

Fax # NOT APPLICABLE

E-mail dkanealii02@gmail.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:

PLANNING AND DESIGN OF PHASE TWO OF THE KAILAPA  
COMMUNITY RESOURCE CENTER

4. FEDERAL TAX ID #

5. STATE TAX ID #:

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2016: \$ 1,500,000

8. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

- NEW SERVICE (PRESENTLY DOES NOT EXIST)
- EXISTING SERVICE (PRESENTLY IN OPERATION)

SPECIFY THE AMOUNT BY SOURCES OF FUNDS AVAILABLE  
AT THE TIME OF THIS REQUEST:

STATE \$0.00  
FEDERAL \$0.00  
COUNTY \$0.00  
PRIVATE/OTHER \$0.00

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

AUTHORIZED SIGNATURE

DIANE KANEALLI, PRESIDENT  
NAME & TITLE

01/30/2015  
DATE SIGNED



RECEIVED  
1/20/2015  
11/ [Signature]

## Application for Grants

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

### I. Background and Summary

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

Kailapa Hawaiian Homestead on the island of Hawaii overlooks the ocean where at the right time of the year, countless whales play and nurture their young. This place where residents await that perfect moment right as the sun meets the ocean, is a special place where the wind blows to declare its freedom, no longer passing through the sandalwood trees that once grew on the hillside, instead whipping across the open range. This mighty wind speaks with force, making its presence known to inspire the vision of things to come.

Kailapa Hawaiian Homestead is a rapidly growing rural community on the Kohala coast in Kawaihae on the island of Hawaii, located mauka of Akoni Pule Highway. This small Hawaiian Homestead community is just over a decade old. Since moving into the homestead, the residents of the community have formed the Kailapa Community Association (KCA), a 501(c)(3) federally recognized nonprofit organization. KCA is committed to developing programs and services for the Community that promote healthy living, environmental preservation, and Hawaiian cultural practices. KCA does so by caring for historical sites by way of active stewardship, promoting and disseminating information on health and wellness, perpetuating Hawaiian language, arts, and cultural practices through education, and creating safe gathering spaces for residents of all ages. KCA received a license from the Department of Hawaiian Homelands (DHHL) to develop a community resource center on 14.33 acres within the homestead. This planned Project was in response to a requirement by Department of Hawaiian Home Lands to develop and implement plans for the land towards community use and economic development.

KCA is a volunteer organization with an elected Board of Directors committed to Ehuehu i ka pono (thriving in balance). KCA works to meet this vision by (1) promoting and disseminating information on health and wellness: personally, locally, and globally; (2) educating and strengthening cultural identity and self-esteem through instruction in Hawaiian history, culture, and values; (3) preserving and protecting the natural environment through stewardship of our islands that are appropriate to traditional practice and perspective; and (4) strengthening and engaging community relationships. The Board of Directors currently consists of seven volunteers: Mr. Kaleo Bertelmann, Mr. Wyman "Keala" Drummando, Mr. Pedro "Clive" Fernandez, Mr. Parish Cannon, Mr. Richard "Kalani" Grace, Ms. Brandie Oye, and Ms. Stacey Santos

Ms. Diane Kanealii serves as the KCA Executive Director and is responsible for the management of grants and contracts awarded to KCA. Ms. Kanealii has worked in the field of nursing since 1975 after graduation from Hawaii Community College with a practical nursing degree. She



Then completed her Bachelor degree from the University of Phoenix as a registered nurse. Ms. Kanealii and family built their home in Kailapa as part of the self-help program in 2002 and became permanent residents in 2006. Since that time she has served as a KCA member, elected as President in 2010, and was hired as the Executive Director in February 2014. Ms. Kanealii also serves a board member of Respect the Ocean; a NPO established to protect the waters along the Kona and South Kohala coast. She is also a current member of Kailapa's Community Emergency Response Team (CERT) and works with the South Kohala Community Development Plan Action Committee (SKCDPAC).

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

KCA has successfully planned and designed Phase I, which is a Pavilion and Playground located on 2.3 acres of the 14.33 acres. KCA is currently moving through the permitting process and preparing to begin construction of Phase I in partnership with the Habitat for Humanity West Hawaii who has committed volunteer manpower during construction.

Phase II known as the Kailapa Community Resource Center represents a collaborative effort between Kailapa Hawaiian Homesteaders and the University of Hawaii Department of Urban & Regional Planning that envisioned the future development of the remaining 14.33 acres. The Center will be a place to realize the community vision to have:

- Piko – Gathering Place
- Noho Kuokoa – Self-sufficiency
- Ka Imi Naauao – Technology and Education
- Ka Ike Hawaii – Native Hawaiian Culture, Knowledge, and Traditional Practices
- Ke Ola Pono – Health and Safety
- Malama Aina – Resource Management
- Laulima – Community Cohesiveness

KCA is requesting 2015 Grant-in-Aid funds to complete the architectural drawings, project appraisal, ALTA survey, phase one environmental and reliance, building permit, and necessary infrastructure to build the Kailapa Community Resource Center. The Center will include smart classrooms, technology spaces, large meeting/gathering multi-purpose areas, a certified kitchen, restrooms, art and storage spaces, walking and jogging pathways and trails, various athletic areas, and a wellness/community garden. Funds to support the Kailapa Community Resource Center vertical construction will be pursued by leveraging funds raised to complete Phase I and the 2015 Grant-in-Aid by accessing federal programs such as New Markets Tax Credit Program and Community Economic Development Program.

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

The Kailapa Community Resource Center will be a piko, a Center that will be a gathering place and provide opportunities to enhance economic and social vitality for current and future Kailapa and Kawaihae residents. The Center will be an active place where residents thrive, are grounded in place, and perpetuate Native Hawaiian culture and values. It will serve as a safe venue that creates community cohesiveness where generations can pass on their valuable culture,



knowledge, and traditional practices, while accessing technology and education, and participate in health and resource management.

Using the Center as a gathering space will serve many needs and generate rental revenue to support operations and repair/maintenance needs. Outside of the classrooms, alternative energy sources will serve STEM education opportunities. The conceptual design will accommodate the community's vision in many different ways, especially with spaces that can be used flexibly. Walking and jogging pathways and trails will be incorporated throughout the site and are considered a primary route to access coastal lands on the makai (ocean) side of the highway. To accommodate extreme wind conditions, the wellness/community garden would most likely be located to the southwest of the structure. Terracing will be incorporated into the site design, because of the steep slope of the area. The structure will be situated to reduce sun exposure (and thereby heating), maximizing views, and protecting other spaces from the wind. Not only will the community have access to a Center that provides smart classrooms, technology spaces, large meeting/gathering multi-purpose areas, a certified kitchen, restrooms, art and storage spaces, walking and jogging pathways and trails, various athletic areas, and a wellness/community garden, the Center will serve as a much needed emergency shelter space.

#### **4. Describe the target population to be served.**

By the early 1900's, many of the native Hawaiian people had moved away from their rural communities and into dense urban areas. They found themselves without enough land to be self-sufficient and unable to practice their traditions. The native Hawaiian population had been steadily declining since contact with the Western world as a result of introduced diseases and socioeconomic and political changes. In an effort to improve conditions for the native Hawaiian people, a program was established to provide rural homesteads for Hawaiians.

On July 9, 1921, The United States Congress enacted the Hawaiian Homes Commission Act of 1920. As originally defined by Congress, the major objectives of the Act included placing native Hawaiians on the land, preventing the alienation of the lands set aside by the Act, providing adequate amounts of water for homestead lands, and aiding Hawaiians in establishing farming operations. Through these objectives the goal of enabling Hawaiians to return to their lands in order to provide for their self-sufficiency, initiative, and preservation of their native culture could be achieved (Federal-State Task Force on the Hawaiian Homes Commission Act, 1983).

The Territory of Hawaii ran this program from 1920 until 1959 when Hawaii was then declared a State of the Union. From that time, the Department of Hawaiian Home Lands was established under the control of the State government. This program is still under the control of the Department of Hawaiian Home Lands today (Federal-State Task Force on the Hawaiian Homes Commission Act, 1983).

The Department of Hawaiian Home Lands has approximately 10,153 acres of land in the Kawaihae region, stretching from the ocean to the Kohala Mountains. They have designated 7,502 acres to general agricultural usage, 2,223 acres to residential usage, 72 acres to community usage, and 356 acres to industrial/commercial usage. The largest residential subdivision is located above Akoni Pule Highway, and is named Kailapa. The average lot size is approximately



32,000 square feet, and there are 191 buildable lots on approximately 180 acres. Kohala Ranch, a nearby private development, supplies the community's water. The Kailapa Community Association (KCA) was incorporated in the State of Hawaii on April 23, 2004 and received a Federal 501(c)(3) tax-exempt designation from the IRS on October 14, 2010.

The population to be served by this Project includes the communities of Kailapa, Kawaihae, and Kohala. There are approximately 200 lots in the Kailapa Community with another neighboring Hawaiian Home Lands community within the same ahupuaa, Kawaihae 1, located in South Kohala. Also sharing South Kohala are Kawaihae Village, Puako, Waikoloa Village, Waimea, and Kohala Estates, Kohala Waterfront, Kohala by the Sea and Kohala Ranch. South Kohala is comprised of four Hawaiian Home Land residential communities, in addition to Hawaiian Home Lands agriculture and pastoral lands making the district heavily populated with native Hawaiian beneficiaries and lessees who will benefit from this project.

**5. Describe the geographic coverage.**

Kawaihae is still as dry and sparsely forested today as it was over 200 years ago. Invasive plants such as fountain grass and the proliferation of feral goats have significantly impacted the terrain. The construction of a major harbor has completely changed the landscape of coastal Kawaihae. The heiau and house sites of John Young though are still preserved. On August 17, 1972 Puukohola Heiau was designated a National Historic Site. This includes Mailekini Heiau, Haleokapuni Heiau, Kamehameha's residence in Kawaihae at Pelekane, and John Young's house (National Park Service, 2004).

Kawaihae harbor remains a major shipping port in the Pacific. It is the second busiest harbor on the island of Hawaii. It continues to have a strong economic connection with Waimea and the Kohala cattle industry, as well as Parker Ranch. Both Young Brothers and Matson Navigation shipping companies operate out of Kawaihae Harbor today (State of Hawaii Department of Transportation Harbors Division, 2001). The small boat harbor that was constructed north of the main harbor is home to the Kawaihae Canoe Club. On February 4, 1995 the Makalii, the third double-hulled ocean voyaging canoe built, was launched from Kawaihae Harbor. It was built there, and calls Kawaihae its home (Polynesian Voyaging Society, 1995).

The Community Resource Center is located in the Kailapa Community. Kailapa Hawaiian Homestead is a rapidly growing rural community on the Kohala coast in Kawaihae on the island of Hawaii, and is located mauka of Akoni Pule Highway. This small Hawaiian Homestead community is just over a decade old. Since moving into the homestead, the residents of the community have formed Kailapa Community Association to improve the health and wellness of the Kawaihae community, and to preserve and protect the lands, waters and culture of Hawaii.

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

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

Architectural Design/Plan determined by the community's priorities and needs take into consideration the space and landscape where the facilities will be built, the physical relationships

of the activities that will be supported, and the history and values of the Kohala will be a major focus of this grant. Detailed site planning has already been completed by RM Towill and submitted to the County of Hawaii Planning Office.

KCA is requesting 2015 Grant-in-Aid funds to complete the architectural drawings, project appraisal, ALTA survey, phase one environmental and reliance, building permit, and necessary infrastructure to build the Kailapa Community Resource Center. The Center will include smart classrooms, technology spaces, large meeting/gathering multi-purpose areas, a certified kitchen, restrooms, art and storage spaces, walking and jogging pathways and trails, various athletic areas, and a wellness/community garden. Funds to support the Kailapa Community Resource Center vertical construction will be pursued by leveraging funds raised to complete Phase I and the 2015 Grant-in-Aid by accessing federal programs such as New Markets Tax Credit Program and Community Economic Development Program.

Funding from the GIA will be used to complete the following:

- Architectural design/plan.
- ALTA survey of the property.
- Project appraisal.
- Secure building permits.
- Build infrastructure in support of vertical construction

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

**First Quarter Outcomes**

- Consultants are engaged.
- Complete an ALTA Survey.
- New Markets Tax Credit solicitation/application.
- Continued Capital Campaign for Vertical Construction.

**Second Quarter Outcomes**

- Complete the Architectural design/plan.
- Complete Project Appraisal.
- Submit for Building Permit.
- Continued Capital Campaign for Vertical Construction.

**Third Quarter Outcomes**

- Infrastructure (horizontal) Construction.
- Continued Capital Campaign for Vertical Construction.

**Fourth Quarter Outcomes**

- Infrastructure (horizontal) Construction.
- Continued Capital Campaign for Vertical Construction.



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

To assist the Executive Director with this Project, Pacific Growth Associates LLC (PGA), will be hired as the Project Manager. PGA works with businesses, organizations and communities to plan and develop projects that integrate economic, social and cultural community values. PGA's principals, Tamar deFries and Robert Hall are seasoned senior executives with decades of experience who have successfully attained and managed millions in a variety of funding sources and continue to provide capacity building training and other services for nonprofits, businesses and communities. PGA owns Valued Growth Associates, a certified Community Development Entity (CDE), authorized to raise equity capital and deploy New Markets Tax Credits. PGA provides clients with effective budget management, leveraging public and private financing, fundraising, project planning, development and implementation, construction oversight, and project compliance.

PGA will also conduct project process and outcome evaluations quarterly with timely mid-term and final reports submitted to the appropriate State Department. PGA has established combined procedures for evaluating grant, program, and project management. The procedures begin with and emphasize data collection and documentation that include on-site and desk reviews assessing the following:

Overall compliance with contract terms: The contract will be categorized into project, finance, and administration. Each component will be used as the standard by which to compare the progress of the project within each of these components. This procedure will help us analyze the overall compliance of the agencies with the contract.

Degree to which performance targets are being met: The performance targets will be the standard by which the project is meeting the performance objectives. Each objective and its target will be outlined in the quarters of the project period and these will be used each quarter for performance evaluation.

Achievement of project goals: The quarterly reports, which are the summation of the various activities of the Kaneohe Aquaculture and Community Development Complex, will measure to which degree the project goals are being met. Each quarter, the achievements will be examined in relation to the goals and if the progress is not on target, corrective action will be taken.

Accuracy and completeness of the documentation: A checklist will be developed to indicate required items that are needed for all records and fiscal files to ensure accurate, complete, and consistent documentation.

Adherence to standard operating procedures, personnel rules, and practices: PAF will measure for compliance to administrative requirements, such as procedures for personnel rules and practices, as well as the requirements for referrals and record keeping.

Assessment of project effectiveness and efficiency: An analysis of the project will provide data to measure the effectiveness and efficiency of the project performance, impact, design and administration.

Performance evaluation: A critique of the overall project performance will be measured by using both outcomes and process evaluation. It will measure the effectiveness and efficiency of the project through the activities performed, as well as the comparison of expenditures to the derived outcomes. Impact evaluation will be limited to immediate impact. This will be measured by the increase in income and in skills for employment. While design evaluation will not be the primary focus, the result of the process evaluation, the corrective actions taken due to the information from the monitoring activities will result in design modifications. These may be in the system of reporting or in the process of intake, for example. As such, an indirect design evaluation will be included in the plan for evaluation.

Sound administrative and financial management practices: The Project Coordinator and the Fiscal Officer will check financial records to insure that records are maintained in compliance with standards and that files are accurate and complete. Examination of procedures, and whether set procedures are followed, will also be recorded and analyzed to see if modifications are needed.

Jobs created by this project will fall into the following categories: The first category includes construction jobs needed to build the Kaneohe Aquaculture and Community Development Complex, the second category are jobs at or within partnering education institutions, the third category are jobs at or within the research and development, and the fourth category includes enterprises and their associates in the seafood industry.

Contractors for the project will be solicited through a bidding process developed and monitored by the Board of Directors. All contractors hired for this project will be required to have the appropriate licenses and accreditations, as appropriate to the task being requested.

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.**



| Measure of Effectiveness  | Outcome                                 |
|---|---|
| Consultants are engaged.<br>Complete an ALTA Survey.<br>New Markets Tax Credit solicitation/application.<br>Continued Capital Campaign for Vertical Construction. | To be completed, during Q1, upon award. |
| Complete the Architectural design/plan.<br>Complete Project Appraisal.<br>Submit for Building Permit.<br>Continued Capital Campaign for Vertical Construction.    | To be completed, during Q2, upon award. |
| Infrastructure (horizontal) Construction.<br>Continued Capital Campaign for Vertical Construction.  | To be complete, during Q3, upon award.  |
| Infrastructure (horizontal) Construction.<br>Continued Capital Campaign for Vertical Construction.  | To be completed, during Q4, upon award. |

Q1 = Quarter 1 (January, February, March); Q2 = Quarter 2 (April, May, June); Q3 = Quarter 3 (July, August, September); Q4 = Quarter 4 (October, November, December).

### III. Financial

#### Budget

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

See Attached Forms.

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 |
|-----------|-----------|-----------|-----------|-------------|
| 500,000   | 400,000   | 300,000   | 300,000   | 1,500,000   |

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

- CDFI Fund New Markets Tax Credit Program
- ANA Funding
- OCS Community Economic Development
- USDA
- Private Foundations (to be determined)

- 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.**

KCA has not been granted state and federal tax credits within the prior three years. KCA is actively working with Pacific Growth Associates to actively seek New Markets Tax Credits to support the Capital Improvement Project. It is estimated that New Markets Tax Credits could provide a 17 – 22% subsidy to the project, upon KCA raising 78 – 83% of the Project costs. If the 2015 Grant-in-Aid is awarded, KCA will have the leverage to access New Markets Tax Credits.

#### **New Markets Tax Credits (NMTC) Program**

The federal New Markets Tax Credit (NMTC) program is currently the largest federal economic development incentive program. The program was enacted as part of the Community Renewal Tax Relief Act of 2000 to encourage investment in low-income urban neighborhoods and rural communities that lack access to the capital needed to support and grow businesses, create jobs, and sustain healthy local economies.

The NMTC Program attracts investment capital to low-income communities by permitting individual and corporate investors to receive a tax credit against their Federal income tax return in exchange for making equity investments in specialized financial institutions called Community Development Entities (United States Department of Treasury, Community Development Financial Institution Fund, 2014). The credit totals 39 percent of the original investment amount and is claimed over a period of seven years (five percent for each of the first three years, and six percent for each of the remaining four years) (United States Department of Treasury, Community Development Financial Institution Fund, 2014). The investment in the CDE cannot be redeemed before the end of the seven-year period (United States Department of Treasury, Community Development Financial Institution Fund, 2014).

The original authorizing legislation provided \$15 billion in NMTC authority between 2000 and 2007. With extensions of the program, to date, the Community Development Financial Institutions (CDFI) Fund has awarded a total of \$33 billion in New Markets Tax Credit allocation authority. Between 2003 and 2010, NMTC investments were responsible for creating over 500,000 jobs in economically distressed communities across America and generating over \$5.3 billion in federal tax revenue and over \$3 billion in state and local taxes (NMTC Coalition, 2013).



On January 3, 2013 President Obama signed the American Taxpayer Relief Act of 2012 that included an extension of the New Markets Tax Credit Program for 2012 and 2013. The tax credit allocation authority is \$3.5 billion for each year (United States Department of the Treasury, Community Development Financial Institutions Fund, 2013). If history is any guide, this \$1.8 billion in federal investment will leverage more than \$14 billion in total investment in rural and urban areas struggling with high rates of unemployment and poverty, creating over 100,000 jobs (NMTC Coalition, 2013).

Since the NMTC Program's inception, the CDFI Fund has made 836 awards allocating a total of \$40 billion in tax credit authority to CDEs through a competitive application process (United States Department of Treasury, Community Development Financial Institution Fund, 2014). This \$40 billion includes \$3 billion in Recovery Act Awards and \$1 billion of special allocation authority to be used for the recovery and redevelopment of the Gulf Opportunity Zone (United States Department of Treasury, Community Development Financial Institution Fund, 2014).

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

KCA has secured three grants totaling \$85,000. An Atherton Grant awarded in 2012 in the amount of \$10,000 supported the necessary activities that contributed to the planning and development of the Kailapa Wellness Park. These activities included:

- Plans for the main entrance gate and installation of gates securing two entrances.
- A site map of the entire acreage including information from cultural surveys, terrestrial surveys, marine surveys, and facility focus group input. The facility layer of the map included a projection of what the community would like to see on the site taking into consideration the cultural sites on acreage, terrain, infrastructure needs and environment.
- Cultural sites report (working with Ala Kahakai and other organizations).
- Monitoring of the marine environment (working with Na Maka o Papahanaumokuakea, UH Sea Grant and other organizations).
- Community workdays and workshops for cleanups, surveys, and access.
- Focus group meetings focusing on overall vision of park, community needs (facility), marine management plan, and education/historical sharing.

These activities supported by the 2012 Atherton Grant laid the foundation that enabled KCA to complete the land preparation, landscaping, and building plans for the Pavilion and Playground. The award and its results also allowed KCA the opportunity to leverage its success to access other funding sources. KCA was awarded \$15,000 from the County of Hawaii and \$60,000 from the State of Hawaii in a 2014 Grant-in-Aid, exclusively for the materials and related soft costs to the Pavilion and Playground. Habitat for Humanity West Hawaii is providing the volunteer manpower; and thereby the project will have no labor costs.

**Funding Sources Totalling \$110,000**

- \$10,000: 2012 Atherton Grant
- \$15,000: 2014 County of Hawaii Grant

- \$60,000: 2014 State of Hawaii Grant-in-Aid
- \$25,000: 2014 Atherton Grant Major Capital

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

KCA does not have a balance of unrestricted current assets, as of December 31, 2014.

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

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

KCA leadership has a broad range of experience to support the Kailapa Community Capital Campaign and has worked extensively with University of Hawaii Department of Urban and Regional Planning, DHHL, Habitat for Humanity West Hawaii, Pacific Growth Associates, R.M. Towill Corporation, Cole Custom Drafting, Respect the Ocean, Keala Pono Archaeological Consulting Services, Uilani Macbaio, Big Island Botany LLC, and several community organizations to ensure the success of the capital campaign and project.

The capital campaign began with an extensive planning process facilitated by the University of Hawaii at Manoa Department of Urban and Regional Planning that produced an 84-page Kailapa Plan. Three essential questions guided activities and discussions in the planning process:

- What will a healthy and thriving Kailapa Homestead Community look like twenty years from now?
- How can a community resource center help you reach that vision for Kailapa?
- What might the community resource center look like?

Furthermore, DHHL funded and facilitated the development of an extensive Kawaihae Regional Plan that facilitated extensive partnerships inclusive of Kamehameha Schools, QLCC, Alu Like, Papa Ola Lokahi, OHA, County of Hawaii, DLNR, Nature Conservancy, DOT Highways Division, DOT Harbors Division, Hale Ia, Edward K. Noda & Associates, National Park Services, Hawaii Department of Water Supply, Kahua Ranch, and HMSA.

The extensive work of Ms. Diane Kanealii serving as the KCA Executive Director has garnered the funds required to complete the Kailapa Community Pavilion and Playground (Phase I). It is also the perseverance, guidance, and support of the KCA volunteer Board of Directors that ensures the success of the capital campaign by tracking the financial and timeframe goals, along with identifying volunteers and ensuring the campaign remains focused on the narrowly defined project. The Board of Directors currently consists of seven volunteers: Mr. Kaleo Bertelmann, Mr. Wyman "Keala" Drummando, Mr. Pedro "Clive" Fernandez, Mr. Parish Cannon, Mr. Richard "Kalani" Grace, Ms. Brandie Oye, and Ms. Stacey Santos

*Kaleo Bertelmann.* Kaleo was raised in Waimea, Hawaii, employed as a heavy equipment operator in the construction industry. When not at work enjoys time with his family and working on the Makalii canoe and serving his community. Kaleo's interest include ocean



and shoreline conservation and sustainable practices as well as hunting and fishing, diving, ranching and other outdoor activities. Kaleo serves on the board as an active participant offering his knowledge and skills to further the community's goals to promote self-sufficiency in a responsible manner.

*Wyman "Keala" Drummondo.* Keala was born and raised in Waimea, Hawaii employed as a commercial truck driver for a construction/hauling company. Keala moved to Kailapa in 2009 with his family and joined the KCA board to support community efforts to develop a place for the children to play and to support Kailapa's missions and goals for his children and all children in Kailapa. When not working, Keala enjoys spending time with his growing family, participates in ranching activities and serves his church

*Pedro "Clive" Fernandez.* Pedro, better known as "Uncle Clive" was born and raised in Kohala, Hawaii and have lived in Kailapa for 7 years. Clive retired from the Hawaii National Guard and has successfully owned and operated his landscaping business for over 37 years, bringing his business skills to KCA board. Clive serves on the board to bring community members together to build a stronger community for the next generation.

*Parish Cannon,* formerly of Lahaina Maui, recently moved to Kawaihae and works as a mechanical technician. Parish brings with him his deep Hawaiian cultural roots, experience operating a non-profit, and strong leadership skills. Parish serves on the board to bring a perspective as a younger Native Hawaiian.

*Richard "Kalani" Grace.* Kalani was born and raised in Kealahou, Hawaii and has been a resident in to Kailapa since 2011. Kalani enjoys spending time with his family and fishing, ranching and hunting. Kalani serves on the board to represent the generation of Hawaiians in preserving and perpetuation of our natural resources by traditional management practices for the next generations to come.

*Brandie Oye.* Brandie earned a Bachelor of Arts degree in biology from Linfield College in Oregon. Brandie built her home in Kailapa under the self-help program and has been living in Kailapa since 2003. Brandie owns and operates a franchise food service restaurant in Waikoloa. When not working, she enjoys dancing the Hula, paddling, and spending time with her young growing family. Along with a deep connection to our Hawaiian culture and lineage, Brandie brings to the organization the knowledge of business operations and financial management as well as a thorough understanding of environmental preservation.

*Stacey Santos,* built a Real Estate career in New Mexico before moving to Kailapa with her husband Wayne in 2013. She has a strong background in business development and worked closely with the Chamber of Commerce, Economic Development, Planning and Zoning Department, Board of Realtors, National Association of Realtors, Mayor's Office and numerous other entities associated with her profession and licensure as a Real Estate Broker. Her Corporate Housing small business plan was recognized in two separate national publications on how to build a successful business with minimal investment



capital. Having strong generational family ties to Hawaii, she is committed to continuing the pursuit of all available rights, as well as, proposed rights entitled to the advancement in education, culture, heritage, land ownership, sovereignty and traditions of all Native Hawaiians and their children.

The Executive Director currently directs and manages the overall operations of Kailapa Community Association under the direction of the Board of Directors. This includes the following responsibilities:

- Demonstrate proactive efforts in furthering the KCA mission statement.
- Direct community events under supervision by the KCA Board of Directors.
- Represent KCA within the community and interact with partners, clients and general community members in a positive and professional manner.
- Maintain positive relationships with community officials and opinion leaders.
- Present quarterly financial reports and annual budgets to the KCA Board of Directors for review and approval.
- Develop and manage effective programs for grant applications and systems for managing KCA cash flow.
- Oversee an effective set of insurance plans and policies to ensure reasonable protection of the KCA Board of Directors and KCA's assets.
- Ensure all tax and records are filed timely manner, meets all deadlines and maintains State and Federal tax compliance.
- Oversee all contracts, leases, licenses and other agreements.

The following are the experiences and skills that the Executive Director possess:

- Five years of experience working with non-profit organizations.
- Three years of project development and management experience.
- Familiarity with the vision, mission, goals, objectives and current projects of the Kailapa Community Association.
- A demonstrated ability to create, implement and manage projects, manage community relations, grants, financial reports.
- A Bachelor's degree from a four-year college or three years management experience or related experience and/or training, or five years of equivalent combination of education and experience

Ms. Diane Kanealii serves as the KCA Executive Director and is responsible for the management of grants and contracts awarded to KCA. Ms. Kanealii has worked in the field of nursing since 1975 after graduation from Hawaii Community College with a practical nursing degree. She then went on to complete a Bachelor degree from the University of Phoenix as a registered nurse. Ms. Kanealii and family built their home in Kailapa as part of the self-help program in 2002 and became permanent residents in 2006. Since that time she has used her management and coordination skills to serve as a KCA member, elected as President in 2010, and was hired as the Executive Director in February 2014. Ms. Kanealii also serves a board member of Respect the Ocean; a NPO established to protect the waters along the Kona and South Kohala coast. She is also a current member of Kailapa's Community Emergency Response Team (CERT) and works with the South Kohala Community Development Plan Action Committee (SKCDPAC).



Pacific Growth Associates LLC will be hired as the project manager to assist KCA with the implementation of this project. The following are short descriptions of the experiences and backgrounds of PGA members who will be involved:

*Tamar deFries* received her undergraduate degree from Colorado State University and graduate degree from the University of Hawaii at Manoa. She has over fifteen years of experience in project design, management, and evaluation and assessment for educational programs and projects working at the YMCA, the University of Hawaii at Manoa, and the Pacific American Foundation. Since 2008, she has focused on preparing nonprofits and communities to manage projects and securing capital improvement project financing. Tamar is viewed as a leader in the New Markets Tax Credits arena and has facilitated five New Markets Tax Credits financing transactions totaling more than \$50M in Hawaii including the Pacific Gateway Center Retail Incubator, Waimanalo Hawaiian Homestead CTEEC, Molokai Community Health Center, West Hawaii Community Health Center and Lanai Community Health Center.

*Robert J. Hall* served in executive management positions for 25 of the 33 years while employed with the State of Hawaii until his retirement in 2011. He last served as the Deputy Director of the Department of Hawaiian Homes Lands, where he worked for over 15 years and is considered an expert on its programs, policies, and fiscal management. Bob guided the NAHASDA 5-year plan and implementation of the NHHBG, had oversight of the Homestead Services Division, which managed admissions and occupancy. He was instrumental in creating the department's Home Ownership Assistance Program for new homebuyers. Bob also served in executive capacities with the Housing and Community Development Corporation and Hawaii Housing Authority, and has nearly 20 years of experience in all facets of housing and development. He maintains close ties with HUD Hawaii, particularly with public housing management, rental assistance and low income tax credit programs.

## **B. Facilities**

There are no current facilities or home base for the Kailapa Community Association. The current office is located in the home of the KCA president. Other members of the community work out of their homes to complete projects, host collaborators, host meetings, and provide space for storage. The Center will include smart classrooms, technology spaces, large meeting/gathering multi-purpose areas, a certified kitchen, restrooms, art and storage spaces, walking and jogging pathways and trails, various athletic areas, and a wellness/community garden.

KCA received site control from DHHL on August 1, 2011. License No. 751 was issued to Kailapa Community Association, Kawaihae, Hawaii to use 14.334-acre parcel for the development.

On July 10, 2013 DHHL acknowledge and approved the Community Center Improvement Plan dated March 2013 that was submitted on behalf of Cole Custom Drafting by KCA. The approval obtained permitted KCA to apply for and obtain the applicable County of Hawaii permits as necessary, inclusive of the Kailapa Community Pavilion and Playground.

During the June 16-17, 2014 DHHL Hawaiian Homes Commission meeting, DHHL authorized an approval for the option to extend the term of Right-of-Entry Permit No. 449 issued to KCA for its proposed community Wellness Park.

Over the past 24 months, KCA has completed community focus groups, land preparation, landscaping, and building plans, specifically related to the pavilion and playground. KCA is currently updating the archeological report, as requested by SHPD to complete the building permit process that should be forthcoming within the next 2 to 3 months, as DHHL has and is providing the required EA information that entails said updated archeological report.

Habitat for Humanity West Hawaii has committed volunteer manpower to construct the pavilion and playground, once KCA has assembled the funding to cover the required materials and soft costs. As of today, KCA has secured \$110,000 required to complete the Kailapa Community Pavilion and Playground. Cole Custom Drafting and Ms. Kaliko Grace and Diane Kanealii will be managing the design and construction of the project, along with overseeing the engineers/subs in relation to electrical, sewage, and water.

All facilities will be ADA compliant and drug/alcohol/smoke free.

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

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

KCA is a volunteer organization with an elected Board of Directors. The Board of Directors currently consists of seven volunteers: Mr. Kaleo Bertelmann, Mr. Wyman "Keala" Drummando, Mr. Pedro "Clive" Fernandez, Mr. Parish Cannon, Mr. Richard "Kalani" Grace, Ms. Brandie Oye, and Ms. Stacey Santos

Ms. Diane Kanealii serves as the KCA Executive Director and is responsible for the management of grants and contracts awarded to KCA. Ms. Kanealii has worked in the field of nursing since 1975 after graduation from Hawaii Community College with a practical nursing degree. She completed her Bachelor degree from the University of Phoenix as a registered nurse. Ms. Kanealii and family built their home in Kailapa as part of the self-help program in 2002 and became permanent residents in 2006. Since that time she has served as a KCA member, elected as President in 2010, and was hired as the Executive Director in February 2014. Ms. Kanealii also serves as a board member of Respect the Ocean; a NPO established to protect the waters along the Kona and South Kohala coast. She is also a current member of Kailapa's Community Emergency Response Team (CERT) and works with the South Kohala Community Development Plan Action Committee (SKCDPAC).

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Other Consultants and Partners include and not limited to: University of Hawaii Department of Urban and Regional Planning, DHHL, Habitat for Humanity West Hawaii, R.M. Towill Corporation, Cole Custom Drafting, Respect the Ocean, Keala Pono Archaeological Consulting Services, Uilani Macbaio, Big Island Botany LLC, Kamehameha Schools, Ka Lae Waa, UH Sea Grant, NOAA, OHA, County of Hawaii, Nature Conservancy, Hui aloha Kiholo, DOT Highways Division, DOT Harbors Division, Hale Ia, and National Park Services.

**B. Organization Chart**



**C. Compensation**

KCA is a volunteer board with a salaried Executive Director. Compensation currently occurs through contracts that are determined by grant awards, and therefore salary is based on funding. At this time, the Executive Director position is not fully funded and is paid when funds become available via grants.

**VI. Other**

- A. Litigation.** Not Applicable.
- B. Licensure or Accreditation.** Not Applicable.
- C. Federal and County Grants**

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

- \$15,000: 2014 County of Hawaii Grant
- \$60,000: 2014 State of Hawaii Grant-in-Aid

- D. Private Educational Institutions.** 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**
- (2) Not received by the applicant thereafter.**

KCA will continue to seek program, private, and foundation grants that support education and preservation/environmental protection. KCA will also continue to implement fundraising events, food security project for subsistence, and socioeconomic development projects that will raise capital to complete the project.

**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.



## BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2015 to June 30, 2016

Applicant: Kailapa Community Association (KCA)

| 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                             |                                 |                                       |                                  |   |
| 2. Payroll Taxes & Assessments          |                                 |                                       |                                  |   |
| 3. Fringe Benefits                      |                                 |                                       |                                  |   |
| <b>TOTAL PERSONNEL COST</b>             |                                 |                                       |                                  |   |
| <b>B. OTHER CURRENT EXPENSES</b>        |                                 |                                       |                                  |   |
| 1. Airfare, Inter-Island                |                                 |                                       |                                  |   |
| 2. Insurance                            |                                 |                                       |                                  |   |
| 3. Lease/Rental of Equipment            |                                 |                                       |                                  |   |
| 4. Lease/Rental of Space                |                                 |                                       |                                  |   |
| 5. Staff Training                       |                                 |                                       |                                  |   |
| 6. Supplies                             |                                 |                                       |                                  |   |
| 7. Telecommunication                    |                                 |                                       |                                  |   |
| 8. Utilities                            |                                 |                                       |                                  |   |
| 9. Consultants                          | 500,000                         |                                       |                                  |   |
| 10.                                     |                                 |                                       |                                  |   |
| 11.                                     |                                 |                                       |                                  |   |
| 12.                                     |                                 |                                       |                                  |   |
| 13.                                     |                                 |                                       |                                  |   |
| 14.                                     |                                 |                                       |                                  |   |
| 15.                                     |                                 |                                       |                                  |   |
| 16.                                     |                                 |                                       |                                  |   |
| 17.                                     |                                 |                                       |                                  |   |
| 18.                                     |                                 |                                       |                                  |   |
| 19.                                     |                                 |                                       |                                  |   |
| 20.                                     |                                 |                                       |                                  |   |
| <b>TOTAL OTHER CURRENT EXPENSES</b>     | 500,000                         |                                       |                                  |   |
| <b>C. EQUIPMENT PURCHASES</b>           |                                 |                                       |                                  |   |
| <b>D. MOTOR VEHICLE PURCHASES</b>       |                                 |                                       |                                  |   |
| <b>E. CAPITAL</b>                       | 1,000,000                       |                                       |                                  |   |
| <b>TOTAL (A+B+C+D+E)</b>                | 1,500,000                       |                                       |                                  |   |
| <b>SOURCES OF FUNDING</b>               |                                 | Budget Prepared By:                   |                                  |   |
| (a) Total State Funds Requested         | 1,500,000                       | Diane Kanealii                        | 808-640-3195                     |   |
| (b) Total Federal Funds Requested       | 0                               | Name (Please type or print)           |                                  | Phone                                   |
| (c) Total County Funds Requested        | 0                               | [REDACTED]                            |                                  | 1/30/2015                               |
| (d) Total Private/Other Funds Requested | 0                               |                                       |                                  | Signature of Authorized Official        |
| <b>TOTAL BUDGET</b>                     | 1,500,000                       | Diane Kanealii, Executive Director    |                                  |   |
|   |                                 | Name and Title (Please type or print) |                                  |   |

**BUDGET JUSTIFICATION - PERSONNEL SALARIES AND WAGES**

Period: July 1, 2015 to June 30, 2016

Applicant: Kailapa Community Association

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



## BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Period: July 1, 2015 to June 30, 2016

Applicant: Kailapa Community Association

| DESCRIPTION<br>EQUIPMENT       | NO. OF<br>ITEMS | COST PER<br>ITEM | TOTAL<br>COST | TOTAL<br>BUDGETED |
|--------------------------------|-----------------|------------------|---------------|-------------------|
| Not Applicable                 |                 |                  | \$ -          |                   |
|                                |                 |                  | \$ -          |                   |
|                                |                 |                  | \$ -          |                   |
|                                |                 |                  | \$ -          |                   |
|                                |                 |                  | \$ -          |                   |
| <b>TOTAL:</b>                  |                 |                  | \$ -          |                   |
| <b>JUSTIFICATION/COMMENTS:</b> |                 |                  |               |                   |

| DESCRIPTION<br>OF MOTOR VEHICLE | NO. OF<br>VEHICLES | COST PER<br>VEHICLE | TOTAL<br>COST | TOTAL<br>BUDGETED |
|---------------------------------|--------------------|---------------------|---------------|-------------------|
| Not Applicable                  |                    |                     | \$ -          |                   |
|                                 |                    |                     | \$ -          |                   |
|                                 |                    |                     | \$ -          |                   |
|                                 |                    |                     | \$ -          |                   |
|                                 |                    |                     | \$ -          |                   |
| <b>TOTAL:</b>                   |                    |                     | \$ -          |                   |
| <b>JUSTIFICATION/COMMENTS:</b>  |                    |                     |               |                   |

## BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2015 to June 30, 2016

Applicant: Kailapa Community Association

| FUNDING AMOUNT REQUESTED |  |               |                       |                                  |                                      |              |
|--------------------------|--|---------------|-----------------------|----------------------------------|--------------------------------------|--------------|
| TOTAL PROJECT COST       | ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS |               | STATE FUNDS REQUESTED | OTHER SOURCES OF FUNDS REQUESTED | FUNDING REQUIRED IN SUCCEEDING YEARS |              |
|                          | FY: 2013-2014                                | FY: 2014-2015 | FY:2015-2016          | FY:2015-2016                     | FY:2016-2017                         | FY:2017-2018 |
| PLANS/DESIGN             |  |               | 300000                |                                  |                                      |              |
| LAND ACQUISITION         |  |               |                       |                                  |                                      |              |
| PERMITS & OTHER          |  |               | 200000                |                                  |                                      |              |
| CONSTRUCTION             |  |               | 1000000               |                                  |                                      |              |
| EQUIPMENT                |  |               |                       |                                  |                                      |              |
| <b>TOTAL:</b>            |  |               | <b>1,500,000</b>      |                                  |                                      |              |

**JUSTIFICATION/COMMENTS:** The plan/design funds at \$300,000 relates to Architect Fees for Phase II: Kailapa Community Resource Center. The land is already secured and Phase I: Pavilion and Playground is underway (to be constructed in the next 3 to 6 months). The permits & other fees at \$200,000 relates to building permits and consultant fees for the survey work, appraisal, executive director and project manager, and all other necessary soft cost expenditures directly related to the project. Horizontal (infrastructure) construction is \$1,000,000.



# GOVERNMENT CONTRACTS AND/OR GRANTS

Applicant: Kailapa Community Association

|     | CONTRACT DESCRIPTION | EFFECTIVE DATES | AGENCY | GOVERNMENT ENTITY<br>(U.S. / State / Haw / Hon / Kau / Mau ) | CONTRACT VALUE |
|-----|----------------------|-----------------|--------|--|----------------|
| 1.  | Not Applicable       |                 |        |  |                |
| 2.  |                      |                 |        |  |                |
| 3.  |                      |                 |        |  |                |
| 4.  |                      |                 |        |  |                |
| 5.  |                      |                 |        |  |                |
| 6.  |                      |                 |        |  |                |
| 7.  |                      |                 |        |  |                |
| 8.  |                      |                 |        |  |                |
| 9.  |                      |                 |        |  |                |
| 10. |                      |                 |        |  |                |
|     |                      |                 |        | TOTAL  |                |

**Note: State of Hawaii 2014 Grant-in-Aid and County of Hawaii funds have been requested for release. These funds have not been released and according to the contacting State Department and County Office, the request for release is moving through the respective process. At this time, the State of Hawaii and County of Hawaii contracts have not been issued.**



**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.

Diane Kanealii, Kailapa Community Association

(Typed Name of Individual or Organization)



(Signature)

January 30, 2015

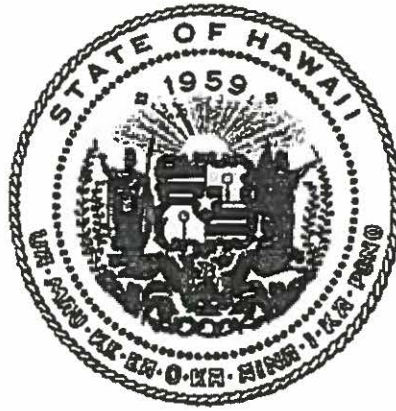
(Date)

Diane Kanealii

(Typed Name)

Executive Director

(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

**KAILAPA COMMUNITY ASSOCIATION**

was incorporated under the laws of Hawaii on 04/23/2004 ; that it is an existing nonprofit corporation; and that, as far as the records of this Department reveal, has complied with all of the provisions of the Hawaii Nonprofit Corporations Act, regulating domestic nonprofit corporations.

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

Dated: January 30, 2015



Director of Commerce and Consumer Affairs