

House District 29

Senate District 13

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

Log No:

For Legislature's Use Only

COPY

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:
HHOC Housing and Land Trust

Dba: n/a

Street Address: 1259 Aala Street, #201 Honolulu, HI 96817

Mailing Address: Same as above.

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name DENNIS OSHIRO

Title Executive Director

Phone # 808 523-9500

Fax # 808 523-9502

E-mail dennis@hihomeownership.org

3. TYPE OF BUSINESS ENTITY:

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

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

KEEPING HOMEOWNERSHIP AFFORDABLE IN PERPETUITY

4. FEDERAL TAX ID #: [REDACTED]

5. STATE TAX ID #: [REDACTED]

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2018: \$ 780,000

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 \$ _____
 FEDERAL \$ _____
 COUNTY \$ _____
 PRIVATE/OTHER \$ 4,257

TYPE, NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

[REDACTED]

DENNIS OSHIRO, EXECUTIVE DIRECTOR
NAME & TITLE

1/20/17
DATE SIGNED



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;

In 2003 the Hawaii State Legislature passed SCR 96 supporting the establishment and operation of Hawaii HomeOwnership Center (HHOC). HHOC opened its doors in October 2003 as a 501(c) 3 non-profit agency, founded through a partnership between businesses, non-profit, community, and government leaders to provide group classes and individual coaching to prepare first time homebuyers for sustainable homeownership. Today, HHOC has its headquarters in Honolulu, and offers in-person, online, and phone services on Oahu, as well as Hawaii and Kauai Counties. Maui County receives online and phone services. HHOC has served 4,279 households with homebuyer education classes and counseling services. Additionally, HHOC has assisted 1,500 households to successfully qualify for the purchase of their first home. Of these, 57% were deemed as low and moderate-income households at intake.

HHOC is affiliated with NeighborWorks America, a congressionally chartered non-profit organization focused on affordable housing and community development (including homeownership promotion and preservation). HHOC is the only NeighborWorks affiliate providing homeownership promotion services in Hawaii. HHOC is also a U.S. Department of Housing and Urban Development (HUD) Approved Housing Counseling Agency.

In 2016, HHOC organized a new affiliate 501(c) 3 non-profit agency named, "HHOC Housing & Land Trust" (HLT). HLT's mission is intended to positively impact Hawaii's affordable housing inventory where there is an acute shortage. HLT plans to acquire property and to keep them affordable in perpetuity through re-sales to income-qualified home buyers with a variety of deed restrictions. HLT is submitting this proposal. HHOC is mentioned here as it is supporting the HLT financially during its start-up period.

Upon re-sale consummation, the new home buyers' financing will pay back the HLT revolving equity fund we will establish with GIA funds as well as our line of credit.

2. The goals and objectives related to the request;

HLT is seeking a \$780,000 GIA to establish a revolving equity capital fund to address the down payment, renovation expenses, and closing costs (expenses associated with getting financing for a property) when acquiring units for resale at below market prices to low or moderate income buyers. HLT will put ten percent (10%) of the purchase price as a down payment via this equity capital fund with the remaining ninety percent (90%) balance being financed through a line of credit established through our national affiliate organization, NeighborWorks America or a private funder.

The specific objective of this request is to acquire a minimum of ten (10) affordable homes within the first twelve months of operation. Following any necessary renovation work, HLT intends to resell these units within six months to new income-qualified home buyers with deed constraints that will ensure subsequent purchasers will buy the home at an affordable price. By having GIA funds acquisition, renovation, and resale expense for our first homes purchased, the HLT will be able to revolve more monies back into the fund as down payment for additional home purchases and build a base for HLT to become self sustaining and hire staff, purchase office equipment, and supplies in the future (See Attachment A for a flowchart of a purchase).

3. The public purpose and need to be served;

Homeownership is the cornerstone of a stable and prosperous economy. Hawaii has the third lowest rate of homeownership in the nation, ranking 47th of all the states. As of the 3rd Quarter 2016, 63.5% of U.S. housing units were owner-occupied, while only 54.6% were owner-occupied in Hawaii¹. Hawaii has an extremely low rate of homeownership because of high housing costs and low inventory available for purchase.

Rent in Hawaii continues to rise. In October 2016 Real Property Management and RentRange found the average rent for a 3-bedroom single-family home in Honolulu to be \$2,776, a 3.5% increase from a year ago. According to the Corporation for Economic Development (CFED), 57.5% of Hawaii residents spend more than 30% of their income for housing expenses which puts them at risk of homelessness if they suffer a financial set-back. Homeownership provides housing stability by removing the possibility of lease cancellation and fixing part of the housing payment thereby creating a platform for success for families (not having to move their children to a different school, locate/move to another rental, etc).

We will seek agreements that will allow State and County agencies to provide HLT with the ability to purchase affordable units under a buy-back or shared appreciation restriction (government has the first opportunity to purchase a unit under a buy-back

restriction, shared appreciation restriction requires the current owner to share the appreciation gain of a unit with the government to recapture a portion of the subsidy invested in the affordable unit they bought). Initial discussion for this has already occurred and met with positive response. This will allow the burden of repurchasing and re-selling units to income qualified buyers to shift from government entities to HLT. There will be a requirement of homeownership education and counseling for home buyers from a HUD-approved agency to provide the tools needed for families to become self-sustaining home owners and avoid foreclosure. HLT's ability to purchase these homes will directly impact the State's financial expenditures, as it will free up resources and taxpayer funds that may have been used to repurchase homes under a buy-back restriction for other initiatives.

4. Describe the target population to be served;

Prospective first-time home buyers with low to moderate income per federal standards on all islands are the target population. Our emphasis will be on serving the most financially vulnerable residents who will benefit from our program. HLT will initially focus on purchasing existing units under remaining re-sale restrictions by government with the intent of maintaining below market sales prices for the next income-qualified buyer.

5. Describe the geographic coverage.

HLT's services are intended to serve the entire State of Hawaii. The location of those served will be dependent upon funding availability, Memorandum of Understanding (MOU) agreements being established with government agencies, and repurchase opportunities.

¹ Mortgage Bankers Association of America, State Mortgage Market Profile; mba.org/state profile

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;

HLT will first seek to complete MOUs or working agreements with government agencies to assume repurchase responsibilities of affordable homes under a buy-back restriction or shared equity agreement and re-sell it to income-qualified families with continued affordable restrictions. Based upon previous discussions with various government agencies, we expect to acquire a minimum of one (1) unit per month once the consultants and legal documents needed are confirmed.

Under agreement time constraints, HLT must conduct a property review and analysis for re-sale within a 30-60 day period. Upon a decision to acquire a home, we must arrange to consummate our financing with a down payment from our equity capital fund and, drawing on a line of credit through a NeighborWorks America financing arm. Any needed repair or renovation work must be contracted and completed as soon as possible in order to show the unit to prospective buyers, enter in a contract and then close our re-sale. Expected cycle time is six months from acquisition to re-sale closing.

To ensure a proper and accurate review of prospective homes, HLT has assembled an experienced team of volunteer professionals (see Attachment "B") from various real estate-related fields. Each unit must be carefully vetted to ensure that our home buyers receive full value on their purchase in order to ensure against losses due to foreclosure or unexpected post-closing repairs or claims. The assessment of necessary repairs is also critical as the HLT needs to keep costs low to ensure the re-sale price is kept at affordable levels.

The required homeownership education course and one-on-one counseling may be provided by affiliate, HHOC or another HUD-approved homeownership counseling agency. The intent of this requirement is to prevent mortgage delinquency.

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

Objectives and Major Tasks*	MONTH											
	1	2	3	4	5	6	7	8	9	10	11	12
Policies & procedures reviewed and finalized for the entire process of repurchase through resale including project reporting.	X	X	X									
Finalize MOUs with government agencies to purchase homes under buy-back or shared appreciation restrictions.	X	X	X									
Select consultant and finalize contract for unit inspection, recommendation on whether to purchase, renovation plans, and listing the property for sale.		X	X									
Select legal counsel to draft or review MOU and contracts with government agencies, consultants, and any other legal document related to the acquisition of a property.	X											
Staff orientation sessions conducted.			X	X	X							
Receive repurchase opportunities; assess renovation costs, and decide whether to purchase a home or not.			X	X	X	X	X	X	X	X	X	X
Review prior purchase through sale transactions and determine if changes to policies and procedures are necessary to ensure long-term sustainability of this project.				X	X	X	X	X	X	X	X	X
Draw of grant funds to pay for upcoming costs in the quarter – as this is start-up project, a reimbursement for project expenses is not feasible. The last draw is for payment of remaining expenses accrued during the grant period.	X			X			X			X		X

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

Our program's success will be measured through two methods: a. HLT's cycle time from acquisition to re-sale consummation; b. HLT's net revenue per acquisition.

Our cycle time will impact how soon another income-qualified family comes to enjoy the benefits of homeownership and, it will reflect the quality of our assessment and renovation implementation process. A short renovation period will impact us financially as we'll be paying financing costs.

As a relative startup operation, we will be sensitive to our net revenue margin and our ability to generate a positive return while keeping the purchase price at affordable levels. This ensures that our equity capital fund will be built for our next purchase opportunity and future growth of the program.

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.

Accomplishment of the outcomes and objectives outlined in #2 is a measure of the effectiveness of this project's progress. The ultimate measure of effectiveness is that 10 units will be purchased during the grant period and that there will be net revenue after the sale of each unit, establishing revolving equity funds to sustain this project and allow the HLT to make more homes available for purchase at below market prices.

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III. Financial

Budget

1. The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.
2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2018.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
20,200	148,600	272,200	339,000	780,000

3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2018.

- *Additional equity & operating capital is being solicited from*
 - *Bank of Omaha*
9200 E. Pima Center Pkwy Ste #260
Scottsdale, AZ 85258
Requesting: \$1,500,000
 - *Ninety percent (90%) acquisition financing sought through two NeighborWorks America lending arms:*
 - *Community Housing Capital*
315 W. Ponce de Leon, Suite 225
Decatur, GA 30030
Amount we are requesting: \$1,000,000 - \$1,500,000
 - *NeighborWorks Capital*
8484 Georgia Avenue, Suite 330
Silver Spring, MD 20910
Amount we are requesting: \$1,000,000 - \$1,500,000

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 federal, state, and county government contracts and grants it has been and will be receiving for program funding.

A \$5,000 federal grant from NeighborWorks America was awarded to the Hawaii HomeOwnership Center (HHOC) in 2016 to support initial work by HLT to support travel expenses and establishment of agreements with government entities to purchase homes under a buy-back restriction with them. There is a balance of \$4,257.01.

6. The applicant shall provide the balance of its unrestricted current assets as of December 31, 2016.

HLT is currently being supported by Hawaii HomeOwnership Center (HHOC). While HHOC is a separate non-profit organization with a different IRS designation number, it

is the sole member of HLT noted in the HLT articles of incorporation and founded the HLT. At the end of 2016, the HLT had no bank accounts in its name. HHOC is the fiscal agent for some funds from HLT and the balance as of 12/31/16 was \$4,257.01.

HHOC's unrestricted fund balance is being provided as the board of directors is prepared to co-sign on initial financing applications for HLT until HLT has enough assets to be self-sustaining and qualify for financing on its own. HHOC's unaudited balance as of 12/31/16 was \$771,281.

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.

See Attachment "B" for a list of our affiliated staff and volunteers who will devote their time to ensure our success in creating a revolving equity capital fund and, an inventory of affordable homes in the State of Hawaii.

We intentionally withheld hiring any dedicated staff to HLT until we have fully established our line of business, built an asset base, and determined the skills needed to successfully implement and sustain the project.

B. Facilities

The applicant shall provide a description of its facilities and demonstrate its adequacy in relation to the request. If facilities are not presently available, describe plans to secure facilities.

The HLT does not have any dedicated staff yet and is being operated by staff and volunteers of the Hawaii HomeOwnership Center (HHOC). HHOC is located in the HawaiiUSA Federal Credit Union building at 1259 Aala Street, #201, Honolulu, HI 96817. The building is ADA compliant with accessible parking, elevators, and bathrooms.

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.

See Attachment "B".

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.

See Attachments "C" and "D" for both the HHOC and HLT organizational charts.

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.

At present, HLT has no paid staff member. HHOC staff members are doing the work during the start-up period for this project and relying on expert volunteers for their guidance.

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.

Qualifications of the property review committee are provided in Attachment B.

C. 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.

D. Future Sustainability Plan

The applicant shall provide a plan for sustaining after fiscal year 2017-18 the activity funded by the grant if the grant of this application is:

- (1) Received by the applicant for fiscal year 2017-18, but
- (2) Not received by the applicant thereafter.

This GIA is intended to provide start-up equity capital for purchases and re-sale of homes to be kept at below-market sales prices. As the fund will pay for all expenses from the assessment of each unit prior to purchase through re-sale of the home, the net gain from the sale of each unit will help to establish a revolving fund at a level which will sustain this project – additional GIA funds will not be needed beyond the grant period.

E. 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, 2016.

Hawaii HomeOwnership Center

Attachments

- Budget Request by Source of Funds
- Government Contracts and/or Grants
- Attachment A: Sample Cash/Work Flow
- Attachment B: Staffing & Governance
- Attachment C&D: Organization Charts
 - Hawaii HomeOwnership Center
 - HHOC Housing & Land Trust
- Certificate of Good Standing
 - HHOC Housing & Land Trust
 - Hawaii HomeOwnership Center
- Declaration Statement

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2017 to June 30, 2018

Applicant: HHOC Housing and Land Trust

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				
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
TOTAL PERSONNEL COST				
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island, travel expenses	3,500			
2. Insurance				
3. Lease/Rental of Equipment				
4. Lease/Rental of Space				
5. Staff Training				
6. Supplies				
7. Telecommunication				
8. Utilities				
9. Consultant: Legal	15,000			
10. Consultant: Home assessment through sale	119,000			
11. Down payment capital	350,000			
12. Loan closing costs for purchase & re-sale of homes	112,000	3,000,000		1,500,000
13. Renovation costs	146,500			
14. Carrying costs during renovation (i.e. electricity, homeowners association fees)	34,000			
15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES	780,000	3,000,000		1,500,000
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL				
TOTAL (A+B+C+D+E)	780,000	3,000,000		1,500,000
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	780,000	Reina Miyamoto	523-8118	
(b) Total Federal Funds Requested	3,000,000	Name (Please type or print)	Phone	
(c) Total County Funds Requested			1/19/17	
(d) Total Private/Other Funds Requested	1,500,000	Signature of Authorized Official:	Date	
TOTAL BUDGET	5,280,000	Dennis Oshiro		
		Name and Title (Please type or print)		

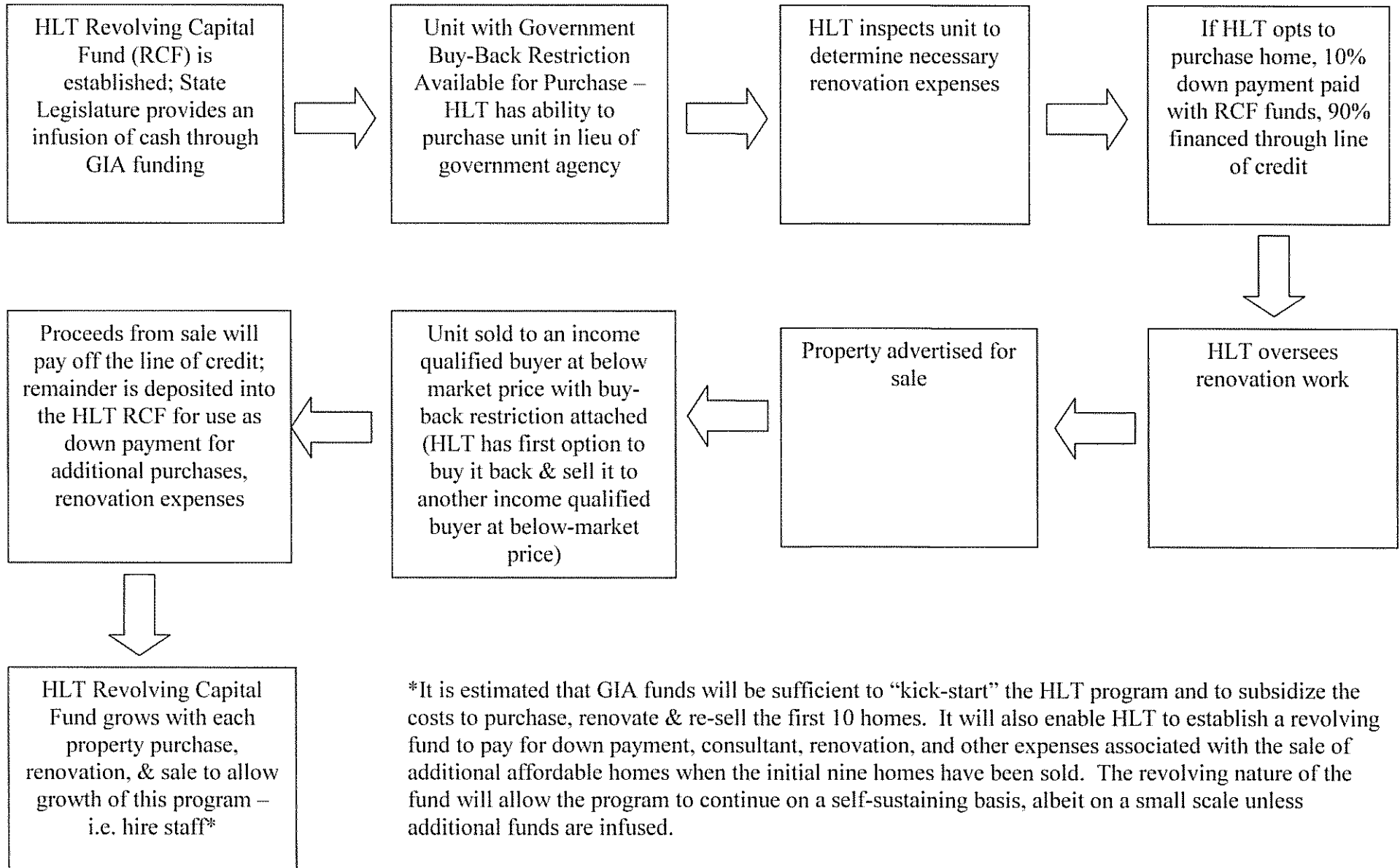
GOVERNMENT CONTRACTS AND / OR GRANTS

Applicant: HHOC Housing and Land Trust

Contracts Total: 4,257

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S. / State / Haw /	CONTRACT VALUE
1	Grant: Support Establishment of purchasing properties in lieu of government	No expiration date	NeighborWorks Americ	US	4,257
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HHOC Housing & Land Trust (HLT) Attachment A: Sample Cash/Work Flow Chart



*It is estimated that GIA funds will be sufficient to “kick-start” the HLT program and to subsidize the costs to purchase, renovate & re-sell the first 10 homes. It will also enable HLT to establish a revolving fund to pay for down payment, consultant, renovation, and other expenses associated with the sale of additional affordable homes when the initial nine homes have been sold. The revolving nature of the fund will allow the program to continue on a self-sustaining basis, albeit on a small scale unless additional funds are infused.

HHOC Housing and Land Trust (HLT) Attachment B

HLT STAFFING AND GOVERNANCE

Dennis Oshiro is the Executive Director for 3 affiliated non-profit organizations: HHOC, HHLT, and HHOC Mortgage (mortgage broker).. Mr. Oshiro has over 30 years in mortgage lending & his contacts in both, lending and the real estate community has helped him assemble three sets of Boards for these organizations with significant expertise for each mission areas.

Ms. Reina Miyamoto manages the homeownership promotion line of business. She has 20 years of non- profit management experience and strong partnerships with other agencies, facilitating program and fundraising support for HHOC programs. Reina also assists as needed with HLT activities.

Dennis & Program Director Reina Miyamoto have a combined 17 years of experience managing HHOC and comprise the senior management team.

HLT 2016 Board of Directors (BOD):

The HLT BOD is currently comprised of HHOC Directors to ensure consistent oversight.

OFFICER & DIRECTOR LIST			Employment	City
President	Keith	Kato	HI Island Comm. Development	Papaikou
Vice President	Debra	Luning	Gentry Homes Hawaii	Hon
Treasurer	David	Pietsch III		Hon
Secretary	Roy	Katsuda	Hale Mahaolu	Kahului
Director	Mark	Tanaka	Kauai Realty	Lihue
Director	Karl	Yoneshige	HawaiiUSA Federal Credit Union	Kaneohe
Director	Shere'e	Quitevis	Hon. Auth. Rapid Transit	Hon

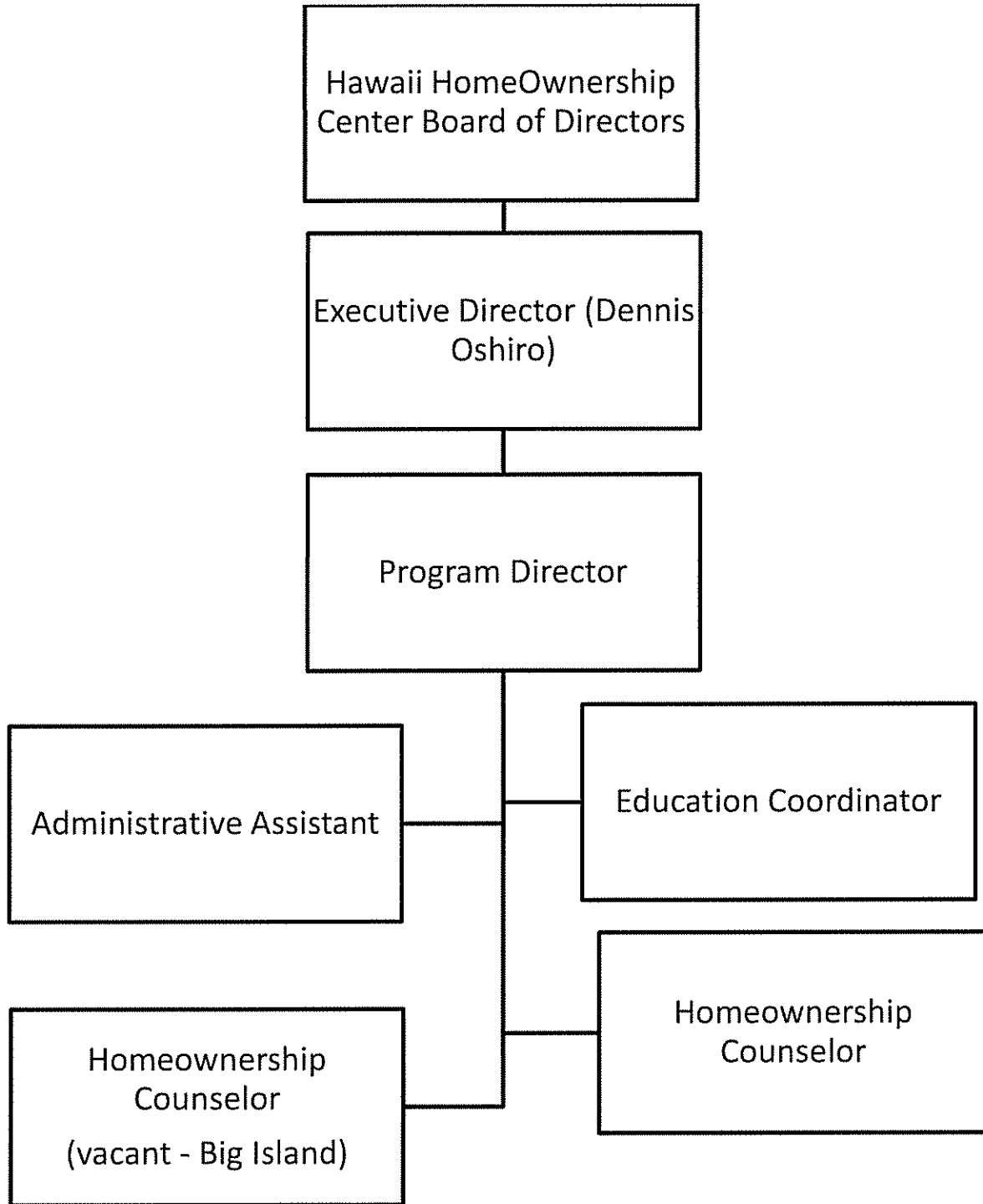
HLT Sub Committee for Real Estate Acquisitions:

In anticipation of HLT entering into repurchase agreements, we assembled an acquisition review team of varied expertise. They are:

Jon	Yamaguchi	Self-employed: Real Estate Appraiser with Yamaguchi & Yamaguchi, Inc.
Michael	Sakai	Self-employed: Attorney
Jack	Legal	Self-employed: Real Estate Broker / Attorney with Legal Realty
Michael	Lum	Self-employed: Real Estate Broker / Attorney with ML Pacific Properties, LLC

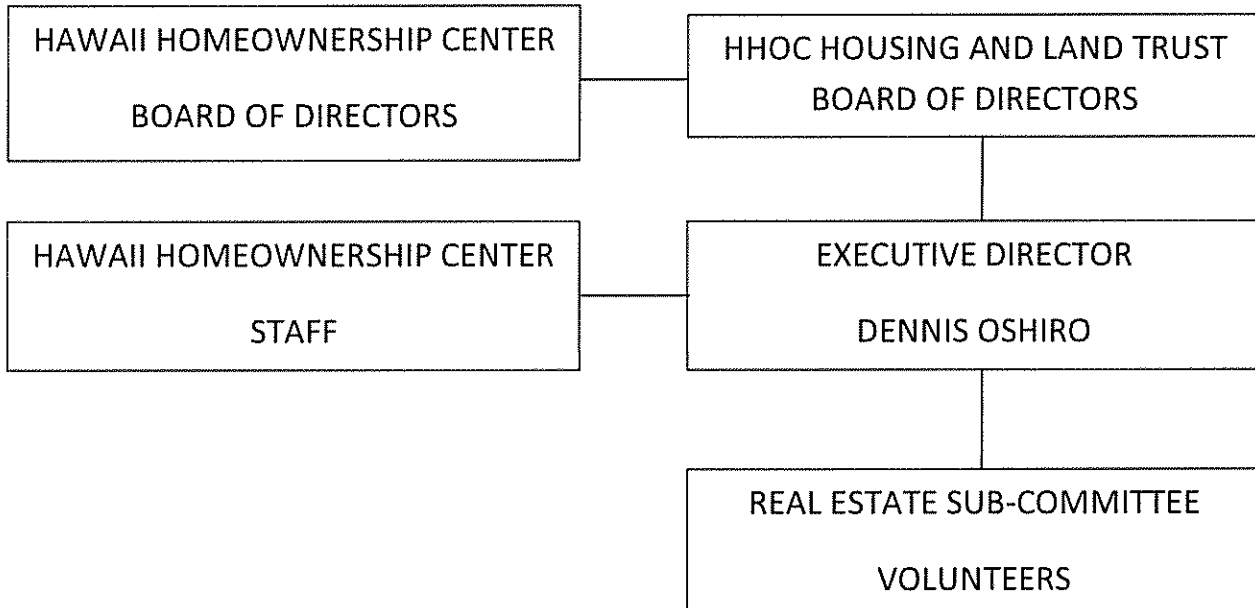
All members are uncompensated volunteers who understand HLT's mission and bring with them many years of local real estate experience. Both Michael Sakai and Michael Lum are connected to real estate development - Mr. Sakai's associated with a non-profit affordable housing developer and Mr. Lum has purchased, renovated, and re-sold properties. Jon Yamaguchi has both, commercial and residential appraising experience and is a strong advocate of affordable housing development.

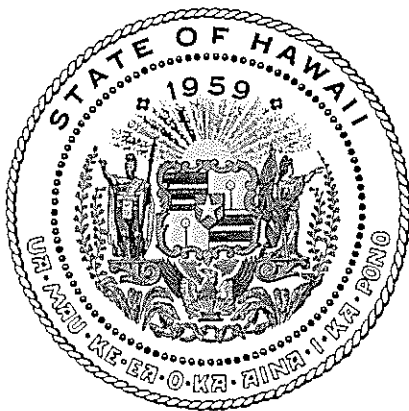
Attachment C
Hawaii HomeOwnership Center
Organizational Chart



Attachment D

HHOC HOUSING AND LAND TRUST ORGANIZATIONAL CHART





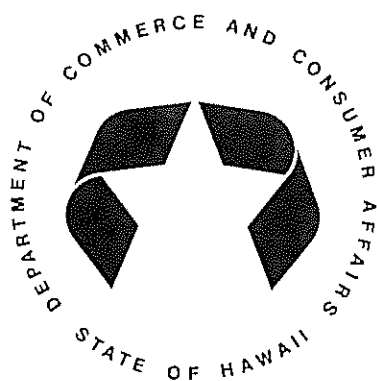
Department of Commerce and Consumer Affairs

CERTIFICATE OF GOOD STANDING

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

HHOC HOUSING AND LAND TRUST

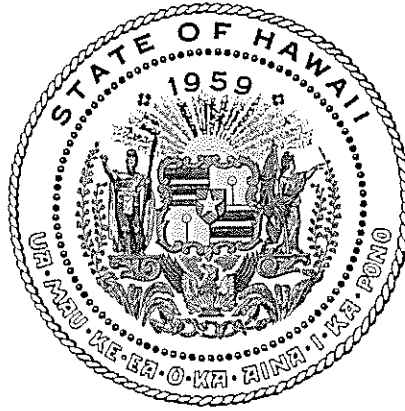
was incorporated under the laws of Hawaii on 12/07/2015 ; that it is an existing nonprofit corporation; and that, as far as the records of this Department reveal, has complied with all of the provisions of the Hawaii Nonprofit Corporations Act, regulating domestic nonprofit corporations.



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 18, 2017

Director of Commerce and Consumer Affairs



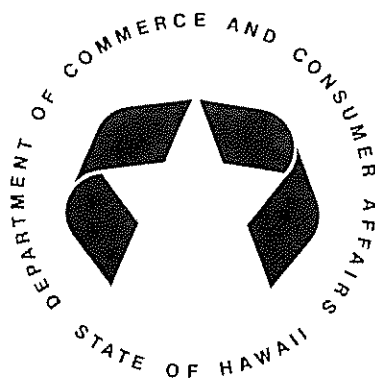
Department of Commerce and Consumer Affairs

CERTIFICATE OF GOOD STANDING

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

HAWAI'I HOMEOWNERSHIP CENTER

was incorporated under the laws of Hawaii on 02/25/2003 ; 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 18, 2017

Catherine P. Owaiki-Cole

Director of Commerce and Consumer Affairs

**DECLARATION STATEMENT OF
APPLICANTS FOR GRANTS PURSUANT TO
CHAPTER 42F, HAWAII 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, Hawaii 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, Hawaii 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, Hawaii 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, Hawaii 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.

HHOC Housing and Land Trust
(Typed Name of Individual or Organization)


(Signature)

1/19/2017
(Date)

Dennis Oshiro
(Typed Name)

Executive Director
(Title)