

House District 26

Senate District 13

THE TWENTY-NINTH 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): HAWAII PUBLIC HOUSING AUTHORITY
STATE PROGRAM I.D. NO. (LEAVE BLANK IF UNKNOWN): _____

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:

HOUSING SOLUTIONS, INCORPORATED

Dbas:

Street Address: 2734 S. King St. #100, Honolulu, HI 96826

Mailing Address: 2734 S. King St. #100, Honolulu, HI 96826

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name Terry Brooks

Title President

Phone # 808-222-5510

Fax # 808-973-0605

E-mail terry@hsiservices.net

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:

THOMAS HOUSE RENOVATION

(EQUIPMENT & CONSTRUCTION)

CRITICAL RENOVATIONS TO THIS HISTORIC STRUCTURE INCLUDE:

1. 28 ROOMS OF HOUSING FOR INDIVIDUALS
2. SEPARATE FLOORS FOR MEN & WOMEN, WITH MAJOR REMODELING OF RESTROOM FACILITIES
3. EXPANSION OF GROUND FLOOR KITCHEN AND DINING ROOM TO A FAST-CASUAL RESTAURANT. EMPHASIS ON FOOD & BEVERAGE TRAINING AND EMPLOYMENT OPPORTUNITIES FOR RESIDENTS OF THOMAS HOUSE AND OTHER HOUSING SOLUTIONS' RESIDENTIAL PROJECTS.

4. FEDERAL TAX ID #: _____

5. STATE TAX ID #: _____

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2017/18: \$500,000.00

8. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

NEW SERVICE (FOOD & BEVERAGE FACILITY)

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

EXISTING SERVICE

A. 28 ROOMS

B. COMMON AREA RESTROOMS

2015/16 STATE GIA	\$500,000.00
FEDERAL	\$0.00
COUNTY	\$0.00
PRIVATE/OTHER	\$0.00

TERRY BROOKS, PRESIDENT

1/1/17

NAME & TITLE



RECEIVED

1/20/17 ma



Friday, January 20, 2017

TO: Senate Committee on Ways and Means

RE: GRANT IN AID APPLICATION
for Housing Solutions Inc.

State Capitol, Room 207
Honolulu, HI 96813
Attn: GIA

hsi

HOUSING SOLUTIONS INCORPORATED

Thomas House

GRANT-IN-AID APPLICATION



113 Years Serving the Housing Needs of Downtown Honolulu



Housing Solutions, Inc.

APPLICATION FOR GRANT IN AID

I. Executive Summary

Background

HSI believes its mission of developing and managing affordable neighborhoods is an effective way to help low-income individuals and families escape poverty. The organization is currently celebrating 30 years' service to Oahu's low-income and homeless populations. As a mark of its effective customer service and innovative business practices, HSI received the *Pacific Business News Non-profit Leadership Award* in 2011.

HSI has successfully managed and developed a variety of housing projects, both long-term and transitional, since its founding in 1986. Its President, Terry Brooks, has over 40 years' experience in real estate development and property management, and its Vice President, Gaye Johnston, is a CPA with 25 years' experience in the United States and Canada. HSI's General Manager selected for the 1727 Project is Shanelle Lum who has 7 years' experience managing both transitional homeless shelters and permanent housing. She has a bachelor's degree, as well as a State of Hawaii real estate license.

For much of its history, HSI concentrated on transitional homeless shelter management, but in recent years its focus for additional facilities has shifted to long-term housing. The largest of its projects (Island West Apartments: 400 units in Kalihi) is managed for a private corporate owner, requiring the full range of property management services, including marketing & leasing, building maintenance, preparation of detailed and timely financial statements, as well as management of bank accounts on behalf of the owner.

HSI currently operates nine housing projects on Oahu containing over 700 apartments. Long-term properties include: 1727 Beretania Apartments, Island West Apartments, Weinberg Hale and Sea Winds Apartments (50 homes developed by HSI). Transitional properties include Vancouver House (families), Loliana Apartments (families), Na Kolea Rooming House (individuals), Kulaokahua Apartments (elderly) and Thomas House* (mentally ill).

Thomas House Goals Objectives

HSI's vision for Thomas House is an affordable housing facility for individuals that is financially self-sufficient, and not dependent on government support. In addition to tenant rents, income will be derived from a ground-floor food & beverage operation providing fast-casual dining. The intent of the restaurant operation is to offer training and employment opportunities to residents of Thomas House and other Housing Solutions' residential projects. Note: HSI's president has over 15 years' experience in developing and operating food & beverage operations, from fine dining to fast food.

Public Purpose & Need

HSI's 25-year history in housing the homeless puts it in a unique position to create opportunities for persons to leave homelessness behind. Affordable housing and job training are two of the most powerful ways to escape poverty. HSI is a strong believer in using "Social Enterprise" to help fund its efforts to eliminate homelessness, while at the same time reducing the agency's dependence on government funding. HSI is a licensed real estate brokerage that earns fees by managing privately-owned properties that offer affordable rents. Income from this effort is approximately \$100,000 per year.

Target Population & Geographic Coverage

The clients we expect to serve are individual men and women in metropolitan Honolulu who have experienced homelessness. Emphasis is on those who will make a commitment to improve their job skills.

II. Service Summary & Outcomes

Scope of Work

Once the capital renovation work is complete, and the grant funds expended, our scope of work is two-fold: (a) provide inexpensive housing to remove individuals from homelessness, and (b) provide quality training for employment in one of Oahu's largest industries — restaurants & tourism. We project the average Thomas House resident will stay 4-6 months training and working at the ground floor restaurant. With 28 rooms turning over periodically, we expect to serve 50-80 clients each year. For those showing excellent promise for the food and beverage industry, we plan to use profits from the restaurant to offer them scholarships to the Kapiolani Community College culinary program.

A tracking system will be put in place to follow and evaluate our Thomas House trainees as they progress in their careers.

III. Financial

Budget (see attached forms)

1. Anticipated funding requests for fiscal year 2018 are:
Quarter 1: \$265,000 Quarter 2: \$235,000
2. Other funding sources have not as yet been identified.

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
265,000	235,000			500,000

3. *The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2018. No other sources.*
4. *The applicant shall provide a listing of all state and federal tax credits it has been granted within the prior three years. No tax credits applied for or received.*
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. None for the Thomas House facility.*
6. The applicant shall provide the balance of its unrestricted current assets as of December 31, 2016.

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.

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.

Thomas House (currently occupied by a Safe Haven operation)
Sea Winds Apartments (permanent affordable housing)
Vancouver House (transitional housing)
Loliana Apartments (transitional housing)

Na Kolea Rooms (transitional housing)
Kulaokahua Apartments (transitional housing)

V. Personnel: Project Organization and Staffing

A. Proposed Staffing, Staff Qualifications, Supervision and Training

Renovation project oversight staffing consists of:

Terry Brooks, HSI President

- 40 years' experience in real estate development & property management

Gaye Johnston, HSI Vice President and CPA

- 15 years' director of HSI finance

Paul Kaiser, HSI Project Director for the Thomas Building

- 20 years' construction experience

Architectural design and construction by Bluestone Builders

- Design/Build contract

B. Organization Chart

See Exhibit A

C. Compensation (annual)

Terry Brooks	\$165,850
Gaye Johnston	\$135,750
Lisa Lo	\$102,000

VI. Other

A. Litigation

Housing Solutions, Inc. has no pending litigation.

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.

Housing Solutions, Inc.: 30 years in non-profit housing development and management. HSI is a Hawaii-licensed real estate brokerage.

Terry Brooks, HSI President: licensed Hawaii real estate broker with 40 years' experience in real estate development and property management.

Gaye Johnston, HSI Vice President & CPA: 24 years in financial management.

Lisa Lo: 26 years in financial management.

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.

The grant will not be used to support any private educational institution.

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.*

The renovated Thomas House will be sustained by room rentals and restaurant income after the grant period.

E. Certificate of Vendor Compliance (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.

See Exhibit B

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2017 to June 30, 2018

Appl

Housing Solutions, Inc.

BUDGET CATEGORIES	Total State Funds Requested (a)	Total Federal Funds Requested (b)	Total County Funds Requested (c)	Total Private/Other Funds Requested (d)
A. PERSONNEL COST				
1. Salaries				
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
TOTAL PERSONNEL COST				
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island				
2. Insurance				
3. Lease/Rental of Equipment				
4. Lease/Rental of Space				
5. Staff Training				
6. Supplies				
7. Telecommunication				
8. Utilities				
9				
10 Construction	265,000			
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES	265,000			
C. EQUIPMENT PURCHASES	235,000			
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL				
TOTAL (A+B+C+D+E)	500,000			
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	500,000	Terry Brooks 808-222-5510		
(b) Total Federal Funds Requested		Name (Please type or print) Phone		
(c) Total County Funds Requested		Signature of Authorized Official Date		
(d) Total Private/Other Funds Requested		Terry Brooks, President		
TOTAL BUDGET	500,000	Name and Title (Please type or print)		

BUDGET JUSTIFICATION - PERSONNEL SALARIES AND WAGES

Period: July 1, 2017 to June 30, 2018

HOUSING SOLUTIONS, INC.

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
NO PERSONNEL COSTS				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
TOTAL:				\$ -
JUSTIFICATION/COMMENTS:				
NO PERSONNEL RELATED COSTS				

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Period: July 1, 2017 to June 30, 2018

HOUSING SOLUTIONS, INC.

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
OPEN-HEARTH GAS OVEN	1.00	\$80,000.00	\$ 80,000.00	80000
DOUGH PRESS	1	\$20,000.00	\$ 20,000.00	20000
WALK-IN REFRIGERATOR	1	\$50,000.00	\$ 50,000.00	50000
COOLING UNITS	4	\$12,500.00	\$ 50,000.00	50000
BEVERAGE EQUIPMENT	2	\$17,500.00	\$ 35,000.00	35000
	9		\$ 235,000.00	235,000

JUSTIFICATION/COMMENTS:

All items classified energy efficient

DESCRIPTION F MOTOR VEHICL	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	

JUSTIFICATION/COMMENTS:

BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2017 to June 30, 2018

Housing Solutions, Inc.

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: 2015-2016	FY: 2016-2017	FY:2017-2018	FY:2017-2018	FY:2018-2019	FY:2019-2020
PLANS						
LAND ACQUISITION						
DESIGN						
CONSTRUCTION	500000		265000	0	0	0
EQUIPMENT			235000	0	0	0
TOTAL:			500,000	0	0	0
JUSTIFICATION/COMMENTS:						
Total project cost for Thomas Building renovation: \$1,000,000						

GOVERNMENT CONTRACTS AND / OR GRANTS

App Housing Solutions, Inc.

Contracts Total: 1,298,000

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S. / State / Haw / Hon / Kau / Mau)	CONTRACT VALUE
1	Grant-in-Aid	2/18/16 – 2/17/18	HPHA	State	500,000
2	Homeless Stipend	2/01/16 – 1/31/17	DHS	State	798,000
3					
4					
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**DECLARATION STATEMENT OF
APPLICANTS FOR GRANTS PURSUANT TO
CHAPTER 42F, HAWAII REVISIED STATUTES**

The undersigned authorized representative of the applicant certifies the following:

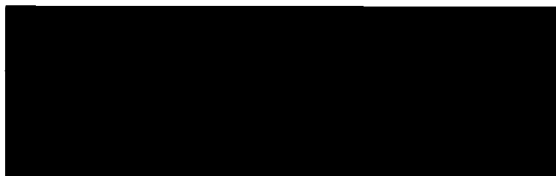
- 1) The applicant meets and will comply with all of the following standards for the award of grants pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide 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.

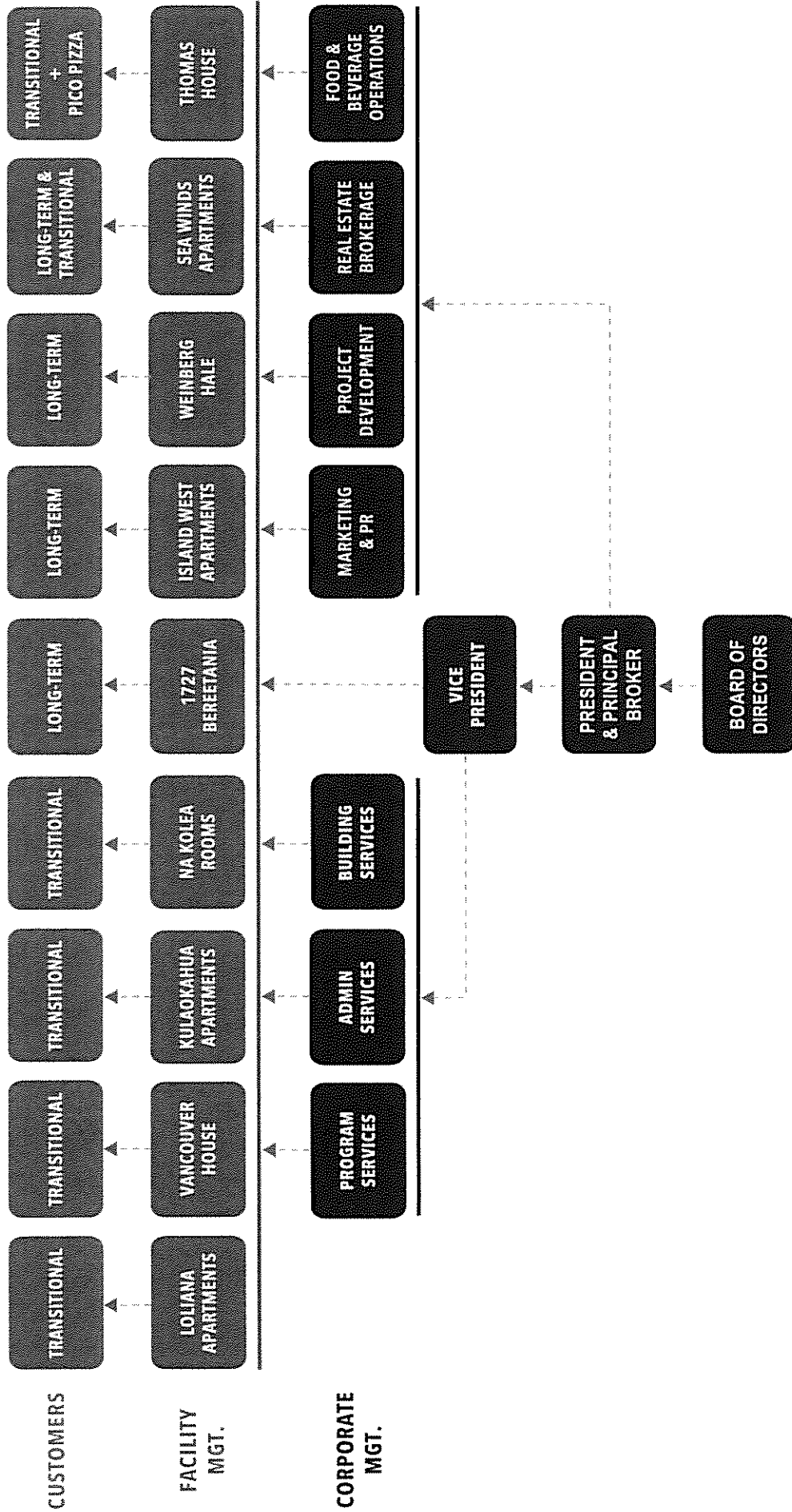


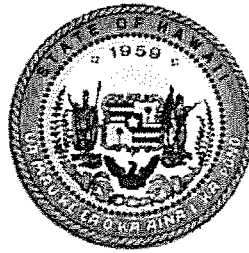
1/1/17
(Date)

Terry Brooks _____
(Typed Name) President (Title)



Operations Support Chart





STATE OF HAWAII
STATE PROCUREMENT OFFICE

CERTIFICATE OF VENDOR COMPLIANCE

This document presents the compliance status of the vendor identified below on the issue date with respect to certificates required from the Hawaii Department of Taxation (DOTAX), the Internal Revenue Service, the Hawaii Department of Labor and Industrial Relations (DLIR), and the Hawaii Department of Commerce and Consumer Affairs

Vendor Name: HOUSING SOLUTIONS, INCORPORATED

DBA/Trade Name: HOUSING SOLUTIONS, INCORPORATED

Issue Date: 01/20/2017

Status: Compliant

Hawaii Tax#: W-20387066-01

New Hawaii Tax#:

FEIN/SSN#:



UI#:

DCCA FILE#: 65974

Status of Compliance for this Vendor on issue date:

Form	Department(s)	Status
A-6	Hawaii Department of Taxation	Compliant
	Internal Revenue Service	Compliant
COGS	Hawaii Department of Commerce & Consumer Affairs	Exempt
LIR27	Hawaii Department of Labor & Industrial Relations	Compliant

Status Legend:

Status	Description
Exempt	The entity is exempt from this requirement
Compliant	The entity is compliant with this requirement or the entity is in agreement with agency and actively working towards
Pending	The entity is compliant with DLIR requirement
Submitted	The entity has applied for the certificate but it is awaiting approval
Not Compliant	The entity is not in compliance with the requirement and should contact the issuing agency for more information