

THE THIRTIETH LEGISLATURE  
APPLICATION FOR GRANTS  
CHAPTER 42F, HAWAII REVISED STATUTES

Type of Grant Request:

Operating

Capital

Legal Name of Requesting Organization or Individual: Db:

Hawaiian Community Assets, Inc.

Amount of State Funds Requested: \$ ~~500,000~~ <sup>90</sup> 500,540

Brief Description of Request (Please attach word document to back of page if extra space is needed):

Hawaiian Community Assets (HCA) will establish the \$1 million Hawaii Affordable Housing Fund to increase the capacity of low- and moderate-income households to rent or own homes and nonprofits to build and preserve affordable housing. HCA and its nonprofit lending subsidiary, Hawaii Community Lending, will serve 500 households with financial counseling, provide technical assistance to 5 nonprofit organizations to build/preserve 250 housing units, and deploy \$500,000 in loan capital for housing development. The revolving loan fund will be sustained with interest/fee revenue.

Amount of Other Funds Available:

State: \$ ~~500,000~~

Federal: \$ 278,789

County: \$ 42,392

Private/Other: \$ 603,500

Total amount of State Grants Received in the Past 5 Fiscal Years:

\$ 1,290,118

Unrestricted Assets:

\$ 123,962

New Service (Presently Does Not Exist):  Existing Service (Presently in Operation):

Type of Business Entity:

501(C)(3) Non Profit Corporation

Other Non Profit

Other

Mailing Address:

200 N Vineyard Boulevard, B140

City: State: Zip:

Honolulu HI 96817

Contact Person for Matters Involving this Application

Name:  
Jeff Gilbreath

Title:  
Executive Director

Email:  
jeff@hawaiiancommunity.net

Phone:  
808.587.7653

Federal Tax ID#:

[REDACTED]

State Tax ID#

[REDACTED]

*Jeff Gilbreath*

Authorized Signature

Jeff Gilbreath/Executive Director

Name and Title

1/18/2019

Date Signed

**received**  
1/18/19 2:50 PM [Signature]

## Application Submittal Checklist

*The following items are required for submittal of the grant application. Please verify and check off that the items have been included in the application packet.*

- 1) Certificate of Good Standing (If the Applicant is an Organization)
- 2) Declaration Statement
- 3) Verify that grant shall be used for a public purpose
- 4) Background and Summary
- 5) Service Summary and Outcomes
- 6) Budget
  - a. Budget request by source of funds ([Link](#))
  - b. Personnel salaries and wages ([Link](#))
  - c. Equipment and motor vehicles ([Link](#))
  - d. Capital project details ([Link](#))
  - e. Government contracts, grants, and grants in aid ([Link](#))
- 7) Experience and Capability
- 8) Personnel: Project Organization and Staffing

Jeff Gilbreath  
AUTHORIZED SIGNATURE

Jeff Gilbreath / ED  
PRINT NAME AND TITLE

1/18/19  
DATE



## 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

**HAWAIIAN COMMUNITY ASSETS, INC.**

was incorporated under the laws of Hawaii on 01/20/2000 ; 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, 2019

Director of Commerce and Consumer Affairs



**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, 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.

Hawaiian Community Assets, Inc.  
(Typed Name of Individual or Organization)

Jeff Gilbreath  
(Signature)

1/18/19  
(Date)

Jeff Gilbreath  
(Typed Name)

Executive Director  
(Title)

## Application for Grants

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

### **I. Certification – Please attach immediately after cover page**

#### **1. 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, 2018.

HCA has attached its Certified of Good Standing.

#### **2. Declaration Statement**

The applicant shall submit a declaration statement affirming its compliance with Section 42F-103, Hawaii Revised Statutes. ([Link](#))

HCA has attached its declaration statement affirming its compliance with Section 42F-103, Hawaii Revised Statutes.

#### **3. Public Purpose**

The applicant shall specify whether the grant will be used for a public purpose pursuant to Section 42F-102, Hawaii Revised Statutes. ([Link](#))

HCA confirms that Grant-in-Aid funds will be used for a public purpose pursuant to Section 42F-102, Hawaii Revised Statutes. More specifically:

- (1) The name of the requesting organization is Hawaiian Community Assets, Inc.
- (2) The public purpose for the grant is to provide affordable housing technical assistance and housing development loans to nonprofit organizations building or preserving units for low- and moderate-income households.
- (3) The services supported by the grant include affordable housing development technical assistance and housing development loans to nonprofit organizations building or preserving units for low- and moderate-income households.
- (4) The target group for the project is nonprofit organizations building or preserving housing that is affordable for low- and moderate-income households. Other secured funds will be used to serve low- and moderate-income households with financial counseling and micro-loans to build their capacity to rent or own homes.
- (5) The cost of the grant and the budget totals \$500,540 to be leveraged with \$924,681 of secured funds and with the potential of leveraging an additional \$5 million in funds from public and private affordable housing finance sources.

the need for 66,000 additional housing units by 2026 to meet projected demand<sup>1</sup>. More than 75% of the units, or 49,500, will need to be for low- and moderate-income households (100% AMI or less) earning approximately \$75,000 annually. While for-profit developers have been effective at building units for households earning 100 to 140% AMI, their business model is unable to afford building units below 100% AMI. Nonprofits developers are required to step into the breach to build the needed units for the majority of our families over the next several years, however, there is a significant gap in financing available for them to meet the State's projected demand. Additionally, we have few nonprofit developers in our State, requiring us to build the capacity of new and existing nonprofit developers to build rental and for-sale housing units that are affordable for our families earning \$75,000 or less annually.

In response, HCA has secured \$515,000 in funding from the Office of Hawaiian Affairs, Hawaii Community Foundation, the State Legislature, and Aloha United Way for micro-loans to assist low- and moderate-income households with credit building/repair, first month's rent/deposit, or down payment/closing costs. An additional \$85,000 has been raised from First Nations/Oweesta to make loans to nonprofits for affordable housing development. The loans have increased low- and moderate-income households' and communities' access to affordable housing and economic self-sufficiency.

Today, HCL has established itself as the first-and-only statewide CDFI providing loans to low- and moderate-income families and nonprofit organizations for housing development. HCL maintains a delinquency rate below 10% and an astounding default rate of less than 0.5%. Coupled with HUD-certified financial counseling and affordable housing technical assistance provided by HCA, HCL has originated 231 loans totaling \$410,817 in capital with 98% of borrowers successfully securing or sustaining permanent housing. In addition, 6 HCL individual borrowers recovering from natural disasters on Hawaii Island and Maui have rebuilt homes and 2 nonprofit organization borrowers will build 60 affordable housing units by 2020 on Kauai and Oahu. Access to the technical assistance and loans has been a tool for HCL borrowers to rent, own, and build homes that are affordable.

With \$924,681 in secured funding from federal, county, and private sources, HCA and HCL are uniquely positioned to leverage \$500,450 from the State Legislature Grant-in-Aid program to launch the \$1 million *Hawaii Affordable Housing Fund (HAHF)*. The fund will offer HUD-certified financial counseling and micro-loans to low- and moderate-income households to rent or own homes and technical assistance and loans to nonprofit organizations for building or preserving units that are affordable for low- and moderate-income households. The vision of the HAHF is to become a \$5 million loan fund in 5 years and support the development or preservation of 1500 units of affordable housing for low- and moderate-income households by 2026.

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<sup>1</sup> *Measuring Housing Demand in Hawaii, 2015-2025*, Department of Business, Economic Development, and Tourism. March 2015. <http://files.hawaii.gov/dbedt/economic/reports/2015-05-housing-demand.pdf>

pay rates.<sup>4</sup> At the same time, the State has the highest housing cost burdens for both renters and homeowners with 40.6% of our homeowners and 57.5% of our renters paying more than 1/3 of their monthly income toward housing.<sup>5</sup> An extreme lack of housing that is affordable for low- and moderate-income households has contributed to our median single family home price soaring to \$800,000<sup>6</sup> and a homeless crisis that continues to grow, reaching into our neighborhoods, onto our beaches, and threatening our State economy.

To address the need for affordable housing for low- and moderate-income households, the Legislative Reference Bureau and Hawaii Real Estate Research and Education Center recommended the State create:

*[A]n interdisciplinary training and support program that... would educate, advise, train, support, and assist prospective and existing non-profit housing developers to become more competent and cost-effective in order to fully realize their natural, comparative cost advantages so that they can be passed on to consumers of affordable housing. Non-profits would be expected to become more expert and self-reliant in the various aspects of housing development as well as in the management of their own operations. As non-profits become more competitive, public sector housing agencies will have less justification not to fund non-profits in developing affordable housing. This will also reduce any inherent conflicts of interest on the part of public sector housing agencies in their dual capacities as financing source and developer.<sup>7</sup>*

The training and support program would include technical assistance from housing developer experts. In addition, it was recommended that capacity building grants be made to nonprofit developers and a rental housing revolving fund be created to assist with project financing.

**Today, the training and support program no longer exists and capacity building grants are no longer being provided to nonprofit developers.**

The Rental Housing Revolving Fund (RHRF), however, remains in place and is one of few sources of financing affordable housing units for very low-income households, those earning 60% AMI or less annually. Unfortunately, the amount of funding available in the RHRF is not adequate to meet our demand for 49,500 units of housing needed by 2026 to house our low- and moderate-income households who earn \$75,000 or less annually. Furthermore, the 2017 Federal tax reform bill has had a dire effect on nonprofit developers' access to the Low-Income Housing Tax Credit (LIHTC) Program, the primary source of long-term, patient capital for affordable housing nationwide and leverage capital for the RHRF. The change in Federal law reduced the effective tax rate

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<sup>4</sup> Assets and Opportunities Scorecard: Hawaii, Corporation for Enterprise Development, 2015

<sup>5</sup> Ibid. 4

<sup>6</sup> Honolulu Board of Realtors, September 2018

<sup>7</sup> Ibid. 3

HCA will provide affordable housing technical assistance along with its partners, while HCL will offer housing development loans to nonprofit organizations with plans to build or preserve housing units for low- or moderate-income households across the state. To date, HCA and HCL have delivered or committed technical assistance and loans to 16 nonprofit organizations for affordable housing (see below).

| <b>Island</b> | <b>Nonprofit Organizations</b>   |
|---------------|--|
| Oahu          | <ul style="list-style-type: none"> <li>- Honolulu Habitat for Humanity</li> <li>- Habitat for Humanity Leeward Oahu</li> <li>- Kapili Like</li> <li>- Alternative Structures International</li> <li>- Kealahou West</li> <li>- Punahale Projects</li> <li>- Youth Build Waimanalo</li> </ul> |
| Maui          | <ul style="list-style-type: none"> <li>- Maui Habitat for Humanity</li> </ul>  |
| Molokai       | <ul style="list-style-type: none"> <li>- Molokai Habitat for Humanity</li> </ul>   |
| Kauai         | <ul style="list-style-type: none"> <li>- Kumano I Ke Ala</li> </ul>  |
| Hawaii        | <ul style="list-style-type: none"> <li>- Hawaii Island Community Development Corporation</li> <li>- Hawaii Island Habitat for Humanity</li> <li>- HOPE Services</li> </ul>   |
| Statewide     | <ul style="list-style-type: none"> <li>- Self-Help Housing Corporation</li> <li>- Hawaiian Community Development Board</li> <li>- Homestead Housing Authority</li> </ul>   |

HUD-certified financial counseling will be delivered by HCA and micro-loans for credit building/repair, 1<sup>st</sup> month's rent/deposit, or down payment/closing costs will be administered by HCL. Services and micro-loans will target low- and moderate-income households statewide as a strategy to improve their financial capacity to rent or own homes, including those developed by nonprofit organizations receiving technical assistance and housing development loans.

Demographic information is listed in the table below. Data has been gathered from HCA and HCL's shared internal client data managed in its electronic client management system, CounselorMax. The numbers are representative of the HCL borrowers. Based on the information below, 98% of HCA and HCL clients are low- or moderate-income, meaning they earn less than 100% HUD's area median income (AMI).

| <b>Gender</b>                    |     |
|----------------------------------|-----|
| Female                           | 59% |
| <b>Ethnicity</b>                 |     |
| Native Hawaiian/Pacific Islander | 67% |
| Asian                            | 7%  |
| African American                 | 1%  |
| White                            | 9%  |



|               |                 |    |          |     |
|---------------|-----------------|----|----------|-----|
| 26: Saiki     | 12: Moriwaki    | 5  | \$30,195 | 11  |
| 27: Ohno      | 13: Rhoads      | 1  | \$300    | 1   |
| 27: Ohno      | 14: Kim         | 1  | \$4,413  | 5   |
| 29: Holt      | 13: Rhoads      | 4  | \$11,701 | 13  |
| 28: Mizuno    | 14: Kim         | 1  | \$2,572  | 2   |
| 32: Ichiyama  | 15: Wakai       | 1  | \$250    | 2   |
| 33: Kong      | 14: Kim         | 1  | \$3,937  | 3   |
| 35: Takumi    | 17: Nishihara   | 3  | \$16,800 | 10  |
| 35: Takumi    | 20: Gabbard     | 3  | \$12,162 | 9   |
| 36: Okimoto   | 22: Dela Cruz   | 8  | \$14,305 | 19  |
| 38: Aquino    | 17: Nishihara   | 2  | \$5,000  | 5   |
| 39: Cullen    | 20: Gabbard     | 5  | \$14,885 | 21  |
| 40: McDermott | 19: Fevella     | 5  | \$15,598 | 16  |
| 42: Har       | 20: Gabbard     | 7  | \$32,953 | 31  |
| 43: Eli       | 20: Gabbard     | 16 | \$3,637  | 44  |
| 43: Eli       | 21: Shimabukuro | 44 | \$48,593 | 147 |
| 44: Gates     | 21: Shimabukuro | 47 | \$31,102 | 138 |
| 46: Perruso   | 22: Dela Cruz   | 3  | \$10,250 | 9   |
| 48: Kitagawa  | 23: Riviere     | 3  | \$8,704  | 10  |
| 49: Matayoshi | 24: Keohokalole | 2  | \$2,250  | 2   |
| 50: Thielen   | 25: Thielen     | 1  | \$250    | 1   |
| 51: Lee       | 25: Thielen     | 3  | \$750    | 8   |

With current funding from secured sources, only limited capital (\$85,000) is available for affordable housing development loans. Hawaii State Legislature Grant-in-Aid funds will increase the amount of loan capital specifically for nonprofit organizations to build or preserve housing units that is affordable for low- and moderate-income households while ensuring affordable housing technical assistance is available.

HUD-certified financial counseling, technical assistance, and loans will be administered through HCA's statewide offices as well as remote office locations at the following sites:

#### Oahu

- Hawaiian Community Assets, 200 N Vineyard Boulevard, Suite B140, Honolulu, 96817
- Kealahou West, Building 48, Belleau Wood Street, Kapolei, HI 96707
- Hale Makana O Nanakuli, 89-102 Farrington Highway Waianae HI, 96792
- Ohana Kakoo Resource Center, 85-888 Farrington Highway, Waianae, HI 96792

#### Hawaii

- Hawaiian Community Assets, 1315 Kalaniana'ole Avenue, Hilo, HI 96720
- Laiopua 2020, 74-52145 Keanalehu Drive, Kailua-Kona, HI 96740

- Program Coordinator = PC
- Program Manager = PM
- Office Manager = OM
- Program Director = PD
- Director of Lending and Development = DLD
- Executive Director = ED

**Hiring/Training** of a DLD and AmeriCorps members will be conducted by the ED and PM, respectively. AmeriCorps members will serve 12-month terms at nonprofits to support affordable housing development. Ongoing monthly training for AmeriCorps members will be conducted by the PM.

**Community Outreach/Public Education** will be conducted by all staff and led by PD. Outreach will include promotion of HAHF, HCA's HUD-certified financial counseling and micro-loans for low- and moderate-income households, and affordable housing technical assistance and housing development loans for nonprofit organizations.

**Intake, Screening, and Assessment** will be conducted by CSAs to verify eligibility and needs of low- and moderate-income client households. Intake, Screening, and Assessment of nonprofit organizations will be conducted by the DLD. Client files will be created for client households and nonprofit organizations.

**Financial Counseling** will be conducted by CSSs/PCs who calculate household income using client income documents. Credit reports are reviewed annually to verify debt/credit scores. Clients develop budgets and action plans identifying housing goals, barriers, & steps to own or rent homes. Follow-up counseling monitors client progress before and after securing housing. Counseling forms are placed in hardcopy/electronic client files.

**Micro-Loans** will be offered to low- and moderate-income client households by CSSs/PCs. Products include Credit Builder/Repair Loans (up to \$10,000 12% interest), & Housing Loans (\$5,000 for 1st month's rent/deposit; \$10,000 for down payment/closing costs, 10% interest). Product forms are filed in hardcopy client files.

**Technical Assistance** will be delivered by the DLD as well as nonprofit housing experts and national partner organizations coordinated by the DLD. Group and individualized technical assistance will be conducted monthly and assist nonprofits in moving through steps of the development process organized into 3 phases, including:

**PLANNING AND DESIGN PHASE**

- Develop preliminary concept
- Select potential site
- Form project's ownership entity
- Select architect
- Review schematic drawings
- Prepare preliminary feasibility studies

In addition to group and individualized technical assistance, the DLD and ED will work to create partnerships with public and private entities for access to affordable land and capital to assist with development. In particular, the DLD and ED will work with Hawaii Housing Finance and Development Corporation to assist nonprofit developers in securing leases for State lands under the Hawaii Revised Statutes, [§201H-58] Leases; self-help housing. This statute states:

- (a) The corporation] may lease parcels that it deems suitable for affordable housing at \$1 per year for up to fifty years to organizations or community trusts to develop the parcel with ownership units through self-help development.
- (b) The [corporation] may extend or modify the fixed rental period of the lease or extend the term of the lease.
- (c) Parcels leased under this section may be transferred or assigned by devise, bequest, or intestate succession, and may be sublet with the approval of the [corporation]. [L 2006, c 179, §4]

The DLD and ED will also partner with national and local CDFIs - Local Initiative Support Corporation, Rural Community Assistance Corporation, Council for Native Hawaiian Advancement, and Hawaii Habitat for Humanity – to leverage an estimated \$5 housing development loans deployed through the HAHF during the project period. See attached letters of support for more information.

**Loans** for housing development will be offered to nonprofit organizations by the DLD. HCL will provide a variety of housing development loans to assist with Pre-Development, Infrastructure, Site Preparation, Acquisition, and Construction financing based on the needs of the nonprofit organization and its public and private sources. To the greatest extent possible, HCL will participate with HCA's CDFI partners in order to leverage its limited capital with national and local loan funds. HCL anticipates housing development loans to serve as "patient, last position capital" with the average loan amount of \$50,000 for terms up to 5 years up to 4% interest per annum. Interest-only repayment will be available and need for collateral waived with funding commitments or guarantees for permanent financing from CDFIs or other sources. Product forms are filed in hardcopy nonprofit organization files.

**Loan Applications** for low- and moderate-income client households will be made available by CSSs/PCs, while applications will be made available to nonprofit organizations by the DLD. The DLD will receive all completed applications and file in hardcopy and electronic organization and client files.

**Loan Processing and Underwriting** will take place upon receiving the DLD receiving the loan application. For micro-loans to client households, the DLD will verify income, debt with a tri-merge credit report, rental move-in/home purchase action date, amount requested, and purpose of funds. The DLD will complete an underwriting worksheet to

assigned CSS/PC. Housing development loan documents for nonprofits will be generated and loan closing with nonprofit borrower will be scheduled by the DLD.

**Loan Closing** will be completed by CSSs/PCs for client household borrowers and DLD for nonprofit borrowers. During closing, CSSs/PCs/DLD will review loan documents. CSSs/PCs/DLD will provide OM with signed loan documents. OM will generate loan checks for disbursement of loan funds. Loan checks will be provided to ED for review and signature. Signed loan checks will be mailed by OM to client household borrower or nonprofit borrower immediately after ED signature.

**Loan Files** will be maintained by DLD and loan information input into HCL's Credit Manager 4© loan management system. OM will input loan information in HCA and HCL's shared QuickBooks system.

**Loan Servicing** will be conducted by OM. OM will generate monthly ACH debit request and forward for ED approval. Upon ED approval, OM will submit ACH request. If borrower account does not have sufficient funds, a second request will be made with fees for late payment and returned checks. CSSs/PCs/DLD will be informed to contact borrower/s for ongoing counseling or technical assistance in the event of a missed payment.

**Loan Reporting** will be completed by the DLD. Loan reports will be submitted to national credit bureaus monthly and to the ED who will report to the HCL Board, CDFI Fund, and all other funders to monitor loan fund as required.

**Measurement and Evaluation** will be managed by the PD/DLD. The CSAs and CSSs/PCs will input data from financial counseling and the number of low- and moderate-income children and adults who secure or sustain affordable housing in CMAX. The PD will review financial counseling reports and submit to the ED. DLD will administer evaluations to nonprofits after each technical assistance session and submit reports generated via Credit Manager 4©. DLD will submit reports to ED for review. Quarterly Quality Reviews of financial counseling will be conducted by PD for compliance with HUD standards. Quality Review results will be tracked via hardcopy forms filed in central binders and in client files. DLD will conduct monthly quality reviews of loan files as part of the loan reporting process to the national credit bureaus and ED.

**Administration and Program Management** will be the responsibility responsible for overall project coordination with oversight by the ED. All project revenue and expenditures, including payroll for staff and AmeriCorps members, will be managed by the OM who will review monthly financial reports with the ED who will provide project oversight and financial management expertise with guidance from the Board of Directors.

|  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|--|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| loan capital                                       | Community Services Specialists/<br>Program Coordinators/<br>Director of Lending and Development |   |   |   |   |   |   |   |   |   |   |   |   |   |
| Maintain loan files                                | Director of Lending and Development   | X | x | x | x | x | x | x | x | x | x | x | x | x |
| Service loans and manage project revenues/expenses | Office Manager  | X | x | x | x | x | x | x | x | x | x | X | x |   |
| Generate and submit reports                        | Program Director/Director of Lending and Development  |   |   |   |   |   |   |   |   |   |   |   | X | x |
| Assist with project reporting and quality control  | Program Director/Director of Lending and Development  | x | x | x | x | x | x | x | x | x | x | x | x | x |
| Provide oversight and financial management         | Executive Director  | x | x | x | x | x | x | x | x | 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**

HCA adheres to a Quality Control Plan for its HUD-certified financial education and counseling programs reviewed and approved by HUD, while HCL adheres to Loan Policies and Procedures reviewed and approved by its Board of Directors.

HCA administers a Quality Control Plan in accordance with its HUD Housing Counseling Plan to ensure the quality of its financial education and housing counseling services as well as asset building products. The Quality Control Plan provides both staff and management with necessary tools to measure quality and effectiveness of our programs based on data collection, case management, counseling need, and compliance with all HUD guidelines as a sub-recipient grantee through Rural Community Assistance Corporation.

Additionally, HCL adheres to Loan Policies and Procedures that is to maintain a delinquency rate of less than 10% and default rate of no more than 1%. The Policies and

borrower payments to the national credit bureaus. Both the HCA and HCL Boards are provided quarterly loan portfolio reports for quality assurance of its lending operations.

- **Loan Underwriting and Approval.** Loans are recommended for approval or disapproval through the completion of an Underwriting Worksheet to summarize the relevant financial data and loan qualifications. HCL will recommend the loan for either approval or disapproval by the Director of Lending and Development and/or Executive Director, when necessary, who may request additional guidance from the Board of Directors.
  1. *Underwriting Format.* HCL will utilize the Underwriting Worksheet. At a minimum, the form must present the amount, purpose, debt ratios, credit history, and a risk rating assigned by HCL.
  2. *Debt Ratio Calculations.* Debt ratios are to be calculated based on gross income and monthly housing and/or debt payments, including the proposed monthly loan payment amount.
  3. *Loan Approval Process.* Loan approvals are to be made within 20 business days of receiving a loan application packet. The applicant must be notified of the status of their application immediately thereafter. If approved, HCL will issue a final loan approval letter with instructions to the borrower to execute final loan closing and disbursement. If the loan is disapproved by HCL, the applicant must be notified of the reasons, and the loan denial reported to the HCL Board.
- **Loan Closing.** HCL will provide an Approval Letter that summarizes the terms and conditions of the loan approval for the borrower. This letter is based on the Loan Approval and it should not materially deviate from the terms of that approval. HCL will schedule loan closing date in coordination with the client household or nonprofit borrower. Prior to the closing date, HCL will discuss with the borrower to coordinate the completion of any funding conditions and/or documents required for closing.
- **Loan Loss Reserve Allocation.** HCL will post an amount of at least 1% of its total deployed loan capital to the Loan Loss Reserve Fund. Loan loss reserves shall be designated within the Loan Fund's Trust account. The reserve shall be reviewed by the independent auditor annually to determine if the reserve is sufficient to mitigate the risk of the loan portfolio. Loan loss reserves should be compared on an annual basis to the number and total amount of loans written off by HCL in any given year.
- **Loan Servicing.** HCL is responsible for 1) confirming whether all payments have been received, 2) follow up to ensure payments are accurately recorded by accounting, and 3) generating required loan portfolio reports for the Board and investors. All payments received from borrowers shall be applied first to satisfy any outstanding

- **Delinquent Loan Servicing.** The best time to reduce delinquencies is as it begins to happen, particularly loans that are 30 days late or less. Respect and compassion are significant to the loan management philosophy of HCL. HCL is expected to treat every borrower with respect and compassion, particularly in the stressful time of a loan delinquency. The goal is to move a delinquent loan back to being a performing loan. HCL shall execute standard servicing of any delinquent loan as follows, wherein all delinquent loan notifications will include a “Borrower Rights” section:

1. *15 Days Late.* On the 15th day of delinquency, HCL, or a contracted HUD-certified counseling agency, will call and/or email the borrower to request anticipated payment date from the borrower. HCL will notate the activity on the Activity Log, whether borrower was reached or not.

Goal of contact is a friendly reminder to make payment and to inquire as to the potential need for assistance by HCL or a HUD-certified counseling agency.

2. *30 Days Late.* On or before the 30th day of delinquency, HCL, or a contracted HUD-certified counseling agency, will call or email the borrower, and mail a standard, written First Late Notice to the borrower that loss mitigation options and assistance may be available and to contact either a HCL staff member or a HUD-certified counseling agency, with a copy to the loan file. HCL will notate the activity on the Activity Log, whether borrower was reached or not.

Goal of contact is a friendly reminder to make payment and to inquire as to the potential need for assistance by HCL or a HUD-certified counseling agency, or to engage the borrower in Loss Mitigation services to achieve a Delinquent Loan Assessment and a Loss Mitigation Plan for HCL review and if required, Loan Committee approval. If the borrower contacts HCL and has not received HUD-certified Loss Mitigation services, HCL must provide the borrower with the appropriate information on a contracted HUD-certified counseling agency.

The HUD-certified counseling agency will contact the borrower to enroll them in free loss mitigation, and/or financial counseling services and schedule a meeting. The goal of the meeting is to arrange a payment, obtain additional information regarding the borrower’s financial status and ability to repay the loan, and to assist the borrower in working to mitigate loan delinquency. A Delinquent Loan Assessment will be established, and a Loss Mitigation Plan will be developed according to the current financial situation of the borrower to present potential curable and non- curable loss mitigation options to HCL.

If a Loss Mitigation Plan is finalized with the borrower, it will be presented to HCL for consideration. If the Loss Mitigation Plan requires Board or Loan Committee approval, HCL will schedule a special Board/Committee meeting to take action.

The HUD-certified counseling agency will contact the borrower to enroll them in free loss mitigation, and/or financial education services and schedule a meeting. The goal of the meeting is to arrange a payment, obtain additional information regarding the borrower's financial status and ability to repay the loan, and to assist the borrower in working to mitigate loan delinquency. A Delinquent Loan Assessment will be established, and a Loss Mitigation Plan will be developed according to the current financial situation of the borrower to present potential curable and non- curable loss mitigation options to HCL.

If a Loss Mitigation Plan is finalized with the borrower, it will be presented to HCL for consideration. If the Loss Mitigation Plan requires Board/Loan Committee approval, HCL will schedule a Board/Loan Committee meeting to take action.

The Board/Committee may approve or deny a Loss Mitigation Plan. HCL staff will record actions of the Board/Committee and provide a written copy to the borrower and place a copy in the borrower's file. HCL will implement the actions taken by the Board/Committee immediately.

5. *120 Days or More Late.* Unless a Delinquent Loan Assessment and Loss Mitigation Plan is under way to the satisfaction of HCL, on or before the 120th day of delinquency or thereafter, HCL will issue a demand for payment by certified mail, indicating the principal balance, accrued interest and any late fees and penalties and the reinstatement amount required to bring the loan current. The letter must also indicate that Loss Mitigation options may be available and assistance is available by contacting HCL and/or the contracted HUD-certified counseling agency assigned to the borrower, that legal action may be initiated if the loan is not brought current, restructured or modified.

The goal is to produce a Delinquent Loan Assessment and a Loss Mitigation Plan for HCL review and consideration. If the borrower contacts HCL and has not received HUD-certified Loss Mitigation services, HCL must provide the borrower with the appropriate information of the contracted HUD-certified counseling agency.

The HUD-certified housing counseling agency will contact the borrower to enroll them in free loss mitigation, and/or financial education services and schedule a meeting. The goal of the meeting is to arrange a payment, obtain additional information regarding the borrower's financial status and ability to repay the loan, and to assist the borrower in working to mitigate loan delinquency. A Delinquent Loan Assessment will be established, and a Loss Mitigation Plan will be developed according to the current financial situation of the borrower to present potential curable and non- curable loss mitigation options to HCL.



3. *New Loans Report.* A report outlining any new loans made during the reporting period.
4. *Total Loan Portfolio Report.* A report showing historical total loans and current loans outstanding, current commitments, capital available, total Loan Loss Reserve, YTD loan commitments (number and dollar amount), and interest income. The Portfolio Report also includes aged receivables of loans (30, 60, 90+ days delinquent), loans in workout, collection or facing legal action.
5. *Total Delinquent Loan Portfolio Report.* A report that shows all delinquent loans, borrower names, days past due, loan balance, interest rate, and last payment date. This report will total all delinquent loans by balance and number of loans to express in delinquent percentages.
6. *Legal Action Report by Year.* Annually, a report that lists every legal action executed, by location, including valuation, debt balance, date of action as decided by the HCL Board.
  - A. *Assessment of Sufficiency of Loan Loss Reserve.* At least quarterly, HCL will determine the necessary change, if any, to the Loan Loss Reserve to accommodate the delinquent payment status of borrowers, and any changes in the risk profile of the portfolio, that are identified by periodic portfolio reviews. HCL will recommend changes and seek approval from the Board for any changes to the Loan Loss Reserve.
  - B. *Liquidity Reserve.* HCL may maintain a separate loan capital cash reserve in the amount of 10% of the gross loans outstanding. This reserve shall be used for loan restructuring, refinancing existing loans and other loan-fund related cash requirements.
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.

HCA and HCL will deem the HAHF successful if the following outcomes are met by June 30, 2020:

- 500 low- and moderate-income Hawaii families receive HUD-certified financial counseling

was secured or sustained. Documentation will be filed by CSSs/PCs in hard copy counseling files and logged for "case resolution" in CMAX. PD will verify participants have successfully secured or sustained affordable housing during quarterly quality reviews of counseling files.

\$5 million in capital will be leveraged to support the development or preservation of 250 affordable housing units. DLD will track amount of capital leveraged through the project using approval letters to nonprofit developers from public and private partners, including its local and national CDFI partners. Approval letters will be filed in nonprofit hardcopy files. The number of housing units built or preserved will be reported by nonprofit organizations in quarterly reports to be submitted to the DLD while their loan is active.

**IV. Financial**

**Budget**

1. The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.
  - a. Budget request by source of funds ([Link](#))
  - b. Personnel salaries and wages ([Link](#))
  - c. Equipment and motor vehicles ([Link](#))
  - d. Capital project details ([Link](#))
  - e. Government contracts, grants, and grants in aid ([Link](#))

HCA has attached the applicable budget forms requested.

2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2020.

| Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total Grant |
|-----------|-----------|-----------|-----------|-------------|
| \$125,000 | \$125,000 | \$125,000 | \$125,000 | \$500,000   |

3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2020.

HCA plans to apply for other sources of funding to support the organization that may partially assist with financial counseling in the proposed project.

For the HAHF specifically, HCA and HCL will submit grant requests to the US Department of Treasury CDFI Fund and Hawaii Community Foundation. State Grant-in-Aid funds would provide the required non-Federal matching funds needed to access US Department of Treasury funding listed in order to grow the HAHF to \$2 million by the end of the project.

6. The applicant shall provide the balance of its unrestricted current assets as of December 31, 2018.

The balance of HCA's unrestricted current assets as of December 31, 2018 was \$123,962.

## **V. Experience and Capability**

### **1. 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.

HCA staff dedicated to the HAHF project have a combined 116 years of experience related to the project proposal, specifically in the supervision of staff, delivery of HUD-certified financial counseling, technical assistance to nonprofits, and administration of loans. HCA is Hawaii's largest HUD-certified counseling agency and the only such agency with a micro-loan loan program.

HCL is a Department of Treasury certified Community Development Financial Institution and wholly-owned nonprofit subsidiary of HCA. HCL staff have a combined 70 years of experience in community and mainstream finance and micro-lending as related to this proposed project. HCL is Hawaii's only statewide CDFI that specializes on micro-loans for low- and moderate-income households and housing development loans for nonprofit organizations.

Both HCA and HCL Board members possess professional skills critical to implementation and oversight of the organization's programs, including law, real estate, loan fund management, mortgage financing, small business ownership, insurance, financial planning, nonprofit and community development, and policy making.

The following grants related to implementation of HCA's implementation of its revolving loan fund through HCL over the last 3 years, further demonstrating the organization possesses the necessary skills and expertise to implement the proposed project:

Contract Title: Building Stability in Housing Project

Contract Agency: Office of Hawaiian Affairs

Contact Person: Edna Johnson

Address: 560 N Nimitz Highway, Suite 200, Honolulu, HI 96817

Contact Information: 808-594-1983, ednaj@oha.org

Contract Period: August 1, 2017 – July 31, 2019

Funding Amount: \$470,000 (includes \$50,000 in micro-loan capital)

- \$82,013 in additional capital leveraged to assist low-income families
- 24 low-income households served with HUD-certified financial counseling
- 24 low-income children and adults secured permanent housing

## **2. 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.

HUD-certified financial counseling, technical assistance, and loans will be administered through HCA's statewide offices as well as remote office locations at the following sites:

### Oahu

- Hawaiian Community Assets, 200 N Vineyard Boulevard, Suite B140, Honolulu, 96817
- Kealahou West, Building 48, Belleau Wood Street, Kapolei, HI 96707
- Hale Makana O Nanakuli, 89-102 Farrington Highway Waianae HI, 96792
- Ohana Kakoo Resource Center, 85-888 Farrington Highway, Waianae, HI 96792

### Hawaii

- Hawaiian Community Assets, 1315 Kalaniana'ole Avenue, Hilo, HI 96720
- Laiopua 2020, 74-52145 Keanalehu Drive, Kailua-Kona, HI 96740

### Kauai

- Hawaiian Community Assets, 4525 Ioane Road, Anahola, HI 96703

### Maui

- Friends of Mokuula, 505 Front Street, Suite #221, Lahaina, HI 96761
- Catholic Charities Hawaii, 2050 Main Street, Suite 3A, Wailuku, HI 96793

### Molokai

- Office of Hawaiian Affairs, Kaunakakai, HI 96748

### Lanai

- Office of Hawaiian Affairs, 853 Fraser Ave # B, Lanai City, HI 96763

All HCA offices and remote sites are equipped with adequate office supplies and machines needed to successfully support the project. Adequate refers to office space and tools including office furniture, computer access, internet and computer program access and comfortable space to operate. Additionally all sites have site supervisors and office policies and procedures in place to support personnel.

Loan interest and fee revenue from micro-loans will be used during the project period will be used to support additional program costs to administer the HAHF revolving loan fund.

The following staff will conduct activities relevant to the proposed project:

Executive Director, Jeff Gilbreath (.25 FTE) will be responsible for:

- Provide overall project oversight
- Fiscal management of grant funds
- Loan fund management
- Deliver technical assistance to nonprofit developers
- Secure partnerships and funding to expand HAHF
- Hire and train Director of Lending and Development
- Assist with community outreach/public education

Office Manager, Rona Kahoonei (.10 FTE) will be responsible for:

- Loan servicing
- Management of project activities related to fiscal and accounting management
- Assist with grant reporting and public education/community outreach

Program Director, Lahela Williams (.15 FTE) will be responsible for:

- Lead community outreach/public education
- Overall program support
- Quality control of HUD-certified financial counseling
- Assist with project reporting

Director of Lending and Development, VACANT, (1 FTE) will be responsible for:

- Overall program management related to technical assistance and loans
- Deliver technical assistance to nonprofit developers
- Loan processing, underwriting, approval, and origination
- Assist with community outreach/public education
- Data collection and program evaluation
- Grant reporting and management
- Managing community partnerships
- Assist with program evaluation and quality control

Program Manager, Lei Riedel (.25 FTE)

- Assist with community outreach/public education
- Recruit and train AmeriCorps members
- Support technical assistance by placing AmeriCorps members with nonprofit organizations served through the HAHF

Program Coordinators, Kelly Lincoln, Jason Taitano, and Vicki Paresa (.50 FTE)

|  |  |   |
|--|--|---|
|  |  | <ul style="list-style-type: none"> <li>• Loan Servicing</li> </ul>  |
| Lahela Williams/<br>Program Director                   | <ul style="list-style-type: none"> <li>• 14 years</li> </ul> | <ul style="list-style-type: none"> <li>• Rental Counseling</li> <li>• Homeownership Counseling</li> <li>• Homebuyer Education</li> <li>• Financial Education</li> <li>• Financial Services</li> <li>• Loan Servicing</li> <li>• Loan Fund Management</li> <li>• Grants Management and Reporting</li> <li>• Quality Control</li> <li>• HUD Compliance</li> <li>• Technical Assistance</li> </ul> |
| Kelly Lincoln/<br>Program Coordinator                  | <ul style="list-style-type: none"> <li>• 11 years</li> </ul> | <ul style="list-style-type: none"> <li>• Rental Counseling</li> <li>• Homeownership Counseling</li> <li>• Homebuyer Education</li> <li>• Financial Education</li> <li>• Financial Capability Counseling</li> <li>• AmeriCorps &amp; Staff Supervision</li> </ul>  |
| Vicki Paresa/<br>Program Coordinator                   | <ul style="list-style-type: none"> <li>• 14 years</li> </ul> | <ul style="list-style-type: none"> <li>• Financial Capability Counseling</li> <li>• Financial Education</li> <li>• Homeless Services</li> <li>• Financial Management</li> <li>• Homeless and Affordable Housing Shelter Management</li> <li>• AmeriCorps &amp; Staff Supervision</li> </ul>   |
| Jason Taitano/<br>Program Coordinator                  | <ul style="list-style-type: none"> <li>• 2 years</li> </ul>  | <ul style="list-style-type: none"> <li>• Affordable Housing Case Management</li> <li>• Homebuyer Education</li> <li>• Staff Supervision</li> </ul>  |
| Joyce Davis/<br>Community Services Specialist          | <ul style="list-style-type: none"> <li>• 5 years</li> </ul>  | <ul style="list-style-type: none"> <li>• Homeownership Counseling</li> <li>• Financial Capability Counseling</li> <li>• Financial Education</li> </ul>  |
| Selina Custodio/<br>Community Services Specialist      | <ul style="list-style-type: none"> <li>• 2 years</li> </ul>  | <ul style="list-style-type: none"> <li>• Financial Capability Counseling</li> <li>• Financial Education</li> </ul>  |
| Rose Transfiguracion/<br>Community Services Specialist | <ul style="list-style-type: none"> <li>• 9 years</li> </ul>  | <ul style="list-style-type: none"> <li>• Rental Counseling</li> <li>• Homeownership Counseling</li> <li>• Homebuyer Education</li> <li>• Financial Education</li> <li>• Financial Capability Counseling</li> </ul>  |

## **2. 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.

HCA is a HUD-certified housing counseling agency as evidenced at [www.HUD.gov/hawaii](http://www.HUD.gov/hawaii) and is compliant with the National Industry Standards for Homeownership Professionals.

HCL is a Department of Treasury certified Community Development Financial Institution as evidenced at <https://www.cdfifund.gov/Documents/CDFI%20List%2011-30-2017.xlsx>.

## **3. 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.

The grant will not be used to support or benefit a sectarian or non-sectarian private educational institution.

## **4. Future Sustainability Plan**

The applicant shall provide a plan for sustaining after fiscal year 2019-20 the activity funded by the grant if the grant of this application is:

- (a) Received by the applicant for fiscal year 2019-20, but
- (b) Not received by the applicant thereafter.

If HCA receives its proposed funds during fiscal year 2019-20, the organization will implement the HAHF project activities over a 12-month period beginning in July 2019. Following the fiscal year, HCA will sustain activities with revenue generated from interest and fees realized through the HAHF revolving loan fund. In addition, HCA will utilize existing, multi-year federal grant awards to support delivery of HUD-certified financial counseling for low- and moderate-income households enrolled in the HAHF as necessary. All earned revenue will go to provide the non-Federal match requirements for US Department of Treasury funding that will be sought to increase the total loan capital available through the HAHF to \$2 million by January 2020.



January 3, 2019

Aloha Mr. Gilbreath,

I am writing on behalf of Local Initiative Support Corporation's Rural program (Rural LISC) to submit our letter of commitment to Hawaiian Community Assets' Hawaii Affordable Housing Fund project proposal.

As a community development financial institution, our organization will partner with Hawaiian Community Assets to provide technical assistance to low- and moderate-income nonprofits for affordable housing development and deploy loan capital to fiscally sound affordable housing projects that serve low- and moderate-income Hawaii households.

We look forward to our partnership as part of the project. Please contact me directly if you have any questions or need more information.

Sincerely

Best –

Suzanne Anarde  
Vice President

1825 K STREET, NW – SUITE 1100 • WASHINGTON, DC 20006  
402 U.S. HIGHWAY 50 • FOWLER, CO 81039  
TELEPHONE: (719) 263-4505 • WEB: [WWW.LISC.ORG/RURAL](http://WWW.LISC.ORG/RURAL)

This institution is an equal opportunity provider, and employer. To file a complaint of discrimination, write: USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).





*Corporate Office:*  
3120 Freeboard Drive, Suite 201  
West Sacramento, CA 95691  
(916) 447-2854 • Fax (916) 447-2878

January 3, 2019

Aloha Mr. Gilbreath,

I am writing on behalf of Rural Community Assistance Corporation to submit our letter of commitment to Hawaiian Community Assets' Hawaii Affordable Housing Fund project proposal.

Rural Community Assistance Corporation is a 501(c)(3) nonprofit organization and community development financial institution that provides training, technical and financial resources and advocacy so rural communities can achieve their goals and visions, including affordable housing for low- and moderate-income households. Our organization will partner with Hawaiian Community Assets to provide technical assistance to nonprofits for affordable housing development and deploy loan capital to finance fiscally sound housing projects for low- and moderate-income Hawaii households in rural communities.

Thank you for this opportunity to support the your proposal. Please contact me should you have any questions or need more information.

Sincerely,

Stanley Keasling  
Chief Executive Officer  
Rural Community Assistance Corporation



January 3, 2019

Aloha Mr. Gilbreath,

I am writing on behalf of the Council for Native Hawaiian Advancement to submit our letter of commitment to Hawaiian Community Assets' Hawaii Affordable Housing Fund project proposal.

As a community development financial institution, our organization will partner with Hawaiian Community Assets to provide low- and moderate-income households financing for homeownership and housing development.

We look forward to our partnership as part of the project. Please contact me directly at 808-529-1626 or [kuhio@hawaiiancouncil.org](mailto:kuhio@hawaiiancouncil.org) if you have any questions or need more information.

Sincerely



J. Kuhio Lewis  
Chief Executive Officer



Hawaii  
**Habitat**  
for Humanity®  
Association

January 3, 2019

*Building  
strength  
and  
stability  
through  
shelter*

**RE: Letter of Commitment**

**Mr. Jeff Gilbreath  
Executive Director  
Hawaiian Community Assets  
200 N. Vineyard Boulevard, Suite B140  
Honolulu, HI. 96817**

Aloha Mr. Gilbreath,

I am writing on behalf of Hawaii Habitat for Humanity Association Inc. to submit our letter of commitment to Hawaiian Community Assets' Hawaii Affordable Housing Fund project proposal.

As a Community Development Financial Institution (CDFI), our organization will partner with Hawaiian Community Assets to provide financing for low- and moderate-income households for homeownership and Habitat affiliates for housing development.

We look forward to our partnership as part of the project. Please contact me directly at (808) 847-7676 or [jean@hawaiihabitat.org](mailto:jean@hawaiihabitat.org) if you have any questions or need more information.

Sincerely

**Jean Lilley  
Executive Director**

2051 Young St. #82  
Honolulu, HI 96826  
808-847-7676  
[www.hawaiihabitat.org](http://www.hawaiihabitat.org)

## BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2019 to June 30, 2020

Applicant: Hawaiian Community Assets, Inc.

| BUDGET CATEGORIES                     | Total State Funds Requested<br>(a) | Total Federal Funds Secured<br>(b)  | Total County Funds Secured<br>(c) | Total Private/Other Funds Secured<br>(d) |
|---------------------------------------|------------------------------------|---|-----------------------------------|--|
| <b>A. PERSONNEL COST</b>              |                                    |   |                                   |  |
| 1. Salaries                           | 65,000                             | 103,250   | 22,500                            | 17,500                                   |
| 2. Payroll Taxes & Assessments        | 5,005                              | 7,950   | 3,081                             |  |
| 3. Fringe Benefits                    | 15,535                             | 24,677  | 9,561                             |  |
| <b>TOTAL PERSONNEL COST</b>           | <b>85,540</b>                      | <b>135,877</b>  | <b>35,141</b>                     | <b>17,500</b>                            |
| <b>B. OTHER CURRENT EXPENSES</b>      |                                    |   |                                   |  |
| 1. Airfare, Inter-Island              |                                    |   |                                   |  |
| 2. Insurance                          |                                    | 7,875   | 1,458                             |  |
| 3. Lease/Rental of Equipment          |                                    | 3,480   | 645                               |  |
| 4. Lease/Rental of Space              |                                    | 7,906   | 1,464                             |  |
| 5. Staff Training                     |                                    |   |                                   |  |
| 6. Supplies                           |                                    | 1,125   | 354                               |  |
| 7. Telecommunication                  |                                    | 2,168   | 402                               |  |
| 8. Utilities                          |                                    | 1,215   | 225                               |  |
| 9. Common Area Maintenance            |                                    | 7,776   | 1,440                             |  |
| 10. LISC Training                     |                                    |   |                                   | 1,000                                    |
| 11. Credit Reports                    |                                    | 11,367  | 1,263                             |  |
| 12. AmeriCorps Members to Nonprofits  |                                    | 100,000   |                                   |  |
| 13.                                   |                                    |   |                                   |  |
| 14.                                   |                                    |   |                                   |  |
| 15.                                   |                                    |   |                                   |  |
| 16.                                   |                                    |   |                                   |  |
| 17.                                   |                                    |   |                                   |  |
| 18.                                   |                                    |   |                                   |  |
| 19.                                   |                                    |   |                                   |  |
| 20. Housing Development Loan Capital  | 415,000                            |   |                                   | 585,000                                  |
| <b>TOTAL OTHER CURRENT EXPENSES</b>   | <b>415,000</b>                     | <b>142,912</b>  | <b>7,251</b>                      | <b>586,000</b>                           |
| <b>C. EQUIPMENT PURCHASES</b>         |                                    |   |                                   |  |
| <b>D. MOTOR VEHICLE PURCHASES</b>     |                                    |   |                                   |  |
| <b>E. CAPITAL</b>                     |                                    |   |                                   |  |
| <b>TOTAL (A+B+C+D+E)</b>              | <b>500,540</b>                     | <b>278,789</b>  | <b>42,392</b>                     | <b>603,500</b>                           |
| <b>SOURCES OF FUNDING</b>             |                                    | Budget Prepared By:   |                                   |  |
| (a) Total State Funds Requested       | 500,540                            | <div style="display: flex; justify-content: space-between;"> <span>Jeff Gilbreath</span> <span>808.587.7653</span> </div> |                                   |  |
| (b) Total Federal Funds Secured       | 278,789                            | Name (Please type or print)   |                                   |  |
| (c) Total County Funds Secured        | 42,392                             | <div style="display: flex; justify-content: space-between;"> <span>Jeff Gilbreath</span> <span>1/18/19</span> </div>      |                                   |  |
| (d) Total Private/Other Funds Secured | 603,500                            | Signature of Authorized Official  |                                   |  |
| <b>TOTAL BUDGET</b>                   | <b>1,425,221</b>                   | <div style="display: flex; justify-content: space-between;"> <span>Jeff Gilbreath / ED</span> </div>                      |                                   |  |
|                                       |                                    | Name and Title (Please type or print)   |                                   |  |

## BUDGET JUSTIFICATION - PERSONNEL SALARIES AND WAGES

Period: July 1, 2018 to June 30, 2019

Applicant: Hawaiian Community Assets, Inc

| POSITION TITLE   | FULL TIME EQUIVALENT | ANNUAL SALARY A | % OF TIME ALLOCATED TO GRANT REQUEST B | TOTAL STATE FUNDS REQUESTED (A x B) |
|--|----------------------|-----------------|--|-------------------------------------|
| Director of Lending and Development  | 1                    | \$65,000.00     | 100.00%                                | \$ 65,000.00                        |
|  |                      |                 |  | \$ -                                |
|  |                      |                 |  | \$ -                                |
|  |                      |                 |  | \$ -                                |
|  |                      |                 |  | \$ -                                |
|  |                      |                 |  | \$ -                                |
|  |                      |                 |  | \$ -                                |
|  |                      |                 |  | \$ -                                |
|  |                      |                 |  | \$ -                                |
|  |                      |                 |  | \$ -                                |
|  |                      |                 |  | \$ -                                |
|  |                      |                 |  | \$ -                                |
|  |                      |                 |  | \$ -                                |
|  |                      |                 |  | \$ -                                |
|  |                      |                 |  | \$ -                                |
| <b>TOTAL:</b>  |                      |                 |  | <b>65,000.00</b>                    |
| <b>JUSTIFICATION/COMMENTS:</b> The Director of Lending and Development will receive an annual salary of \$65,000 consistent with HCA's annual salary for its directors with exception of its Executive Director. |                      |                 |  |                                     |

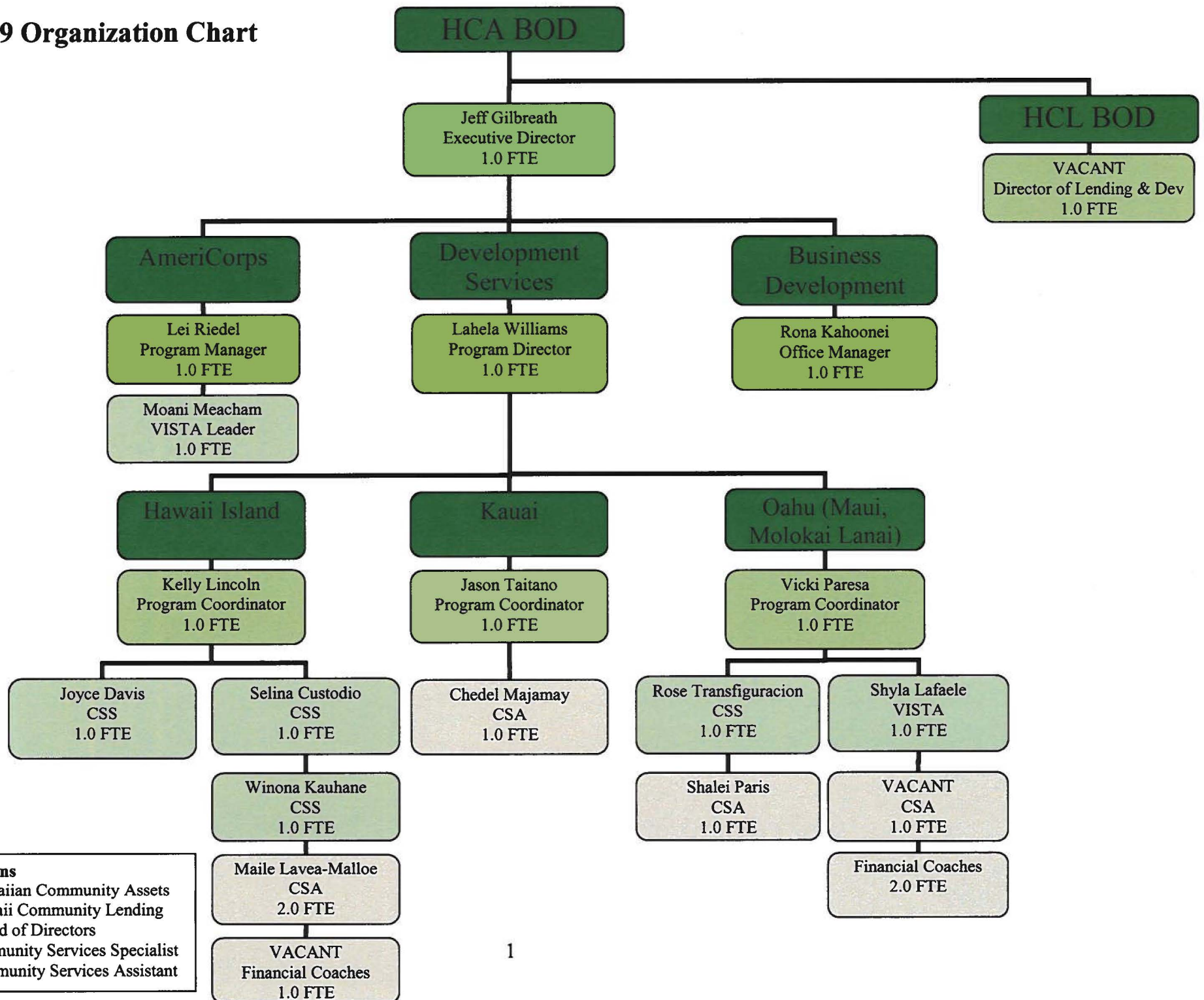
**GOVERNMENT CONTRACTS, GRANTS, AND / OR GRANTS IN AID**

Applicant: Hawaiian Community Assets, Inc

Contracts Total: 1,564,799

|   | <b>CONTRACT DESCRIPTION</b>  | <b>EFFECTIVE DATES</b> | <b>AGENCY</b>   | <b>GOVERNMENT ENTITY<br/>(U.S. / State / Haw / Hon / Kau / Mau)</b> | <b>CONTRACT VALUE</b> |
|---|--|------------------------|---|---|-----------------------|
| 1 | 2-year grant for loan capital for credit builder/ repair loans as well as financial education, counseling, and match savings accounts to assist Native Hawaiians increase their capacity to rent or        | 7/1/15-6/30/17         | Office of Hawaiian Affairs                            | State   | 530,118               |
| 2 | 2-year grant for loan capital for credit builder/ repair loans as well as financial education, counseling, and match savings accounts to assist Native Hawaiians increase their capacity to rent or        | 8/1/17-7/31/19         | Office of Hawaiian Affairs                            | State   | 470,000               |
| 3 | Grant for Hawaii Emergency Loan Program to provide HUD-certified financial counseling and loans for first month's rent/deposit and past due rent/mortgage to low- and moderate-income households statewide | 7/1/18-6/30/19         | Department of Labor and Industrial Relations          | State   | 200,000               |
| 4 | Staffing for Community Services Assistants to support delivery of HUD-certified financial counseling for loan programs specifically  | 10/1/17-9/30/18        | Hawaii Commission for National and Community Services | US  | 43,500                |
| 5 | HUD-certified financial counseling for low- and moderate-income Hawaii Island households   | 7/1/19-6/30/20         | Administration for Native Americans                   | US  | 108,189               |
| 6 | Staffing for Community Services Assistants support delivery of HUD-certified financial counseling and micro-loans. <b>Automatic annual contract</b>  | 10/1/18-9/30/19        | Hawaii Commission for National and Community Services | US  | 43,500                |
| 7 | meriCorps VISTA members recruited, trained, and placed with nonprofits to support affordable housing development and services. <b>Automatic annual contract renewal.</b>                                   | 5/1/18-4/30/19         | Corporation for National and Community Service        | US  | 115,750               |
| 8 | HUD-certified financial counseling for low- and moderate-income households statewide. <b>Annual renewal allocation.</b>  | 10/1/18-9/30/19        | Department of Housing and Urban Development           | US  | 11,350                |

# FY2019 Organization Chart



**Abbreviations**  
 HCA – Hawaiian Community Assets  
 HCL – Hawaii Community Lending  
 BOD – Board of Directors  
 CSS – Community Services Specialist  
 CSA – Community Services Assistant



## MEMORANDUM OF AGREEMENT

THIS AGREEMENT, made and entered into by and between Hawaiian Community Assets, a 501(c)(3) nonprofit organization whose principal address is 200 North Vineyard Boulevard, Suite A300, Honolulu, Hawaii 96817 (hereinafter known as "HCA") and Hawaii Community Lending, a nonprofit community development financial institution whose principal address is 200 North Vineyard Boulevard, Suite A300, Honolulu, Hawaii 96817 (hereinafter known as "HCL") do agree as follows;

### WITNESSETH:

WHEREAS, HCA was created to assist low and moderate income individuals and families with a particular focus on Native Hawaiians to achieve economic self-sufficiency using permanent housing, culturally-relevant financial education, and asset building programs as its vehicle; and

WHEREAS, HCA has achieved its mission and success by delivering financial education, housing counseling, and match savings accounts; and

WHEREAS, HCL was created as a nonprofit community development financial institution by HCA to increase access to credit and capital for low-income Native Hawaiians residing in Hawaii;

WHEREAS, HCL provides culturally-relevant financial products and lending programs to build the economic self-sufficiency and housing stability of Native Hawaiians;