

**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.    N/A

Amount of State Funds Requested: \$ 5,000,000

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

The ALICE Affordable Housing and Jobs Partnership will build 5,000 affordable homes and create or save 1,000 jobs by the end of 2025. In the program's first 12 months, 50 ALICE (Asset Limited, Income Constrained, Employed) households will have purchased an affordable home and 100 at-risk ALICE youth or adults will have secured apprenticeships or jobs in the construction industry.

Amount of Other Funds Available:

State:            \$ 272,433  
Federal:        \$ 355,952  
County:        \$ 0  
Private/Other: \$ 6,250,000

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

\$ 290,000

Unrestricted Assets:

\$ 212,855

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, Suite B140

City:    State:    Zip:  
Honolulu    HI    96817

**Contact Person for Matters Involving this Application**

|                                      |   |
|--------------------------------------|---|
| Name:<br>Jeff Gilbreath              | Title:<br>Director of Lending and Development |
| Email:<br>jeff@hawaiiancommunity.net | Phone:<br>808.587.7653                        |

|                      |                    |
|----------------------|--------------------|
| Federal Tax ID#:<br> | State Tax ID#:<br> |
|----------------------|--------------------|

Authorized Signature

Lihela Williams/Executive Director  
Name and Title

1/16/2020  
Date Signed

**received**  
1/17/20 2c  
4:00pm

## 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.*

- X 1) Certificate of Good Standing (If the Applicant is an Organization)
- X 2) Declaration Statement
- X 3) Verify that grant shall be used for a public purpose
- X 4) Background and Summary
- X 5) Service Summary and Outcomes
- X 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](#))
- X 7) Experience and Capability
- X 8) Personnel: Project Organization and Staffing

  
AUTHORIZED SIGNATURE

LAHELA WILLIAMS, EXECUTIVE DIRECTOR

PRINT NAME AND TITLE

1/17/2020

DATE

## 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, 2019.

See Certificate of Good Standing enclosed.

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

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

See declaration enclosed.

#### **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 support the buying and rehab of older, vacant, and distressed properties for purchase by ALICE households by investing \$5 million into a revolving loan fund that will relend the capital for acquisition and construction costs in perpetuity.
- (3) The services supported by the grant include deployment of low-interest line of credit for the buying and rehab of older, vacant, and distressed properties with the grant funds revolved once the properties are purchased by ALICE households using mortgage financing.
- (4) The target group for the project is Asset Limited, Income Constrained, Employed households in Hawaii living one paycheck away from homelessness and complete financial ruin.
- (5) The cost of the grant and the budget totals \$11,878,395 that HCA and its partners will leverage with \$628,395 of secured funds for operations. HCA has requested and is negotiating an additional \$6.25 million in grants, low-interest loans, and loan guarantees from Bank of Hawaii Foundation, Hawaii Community Foundation, Hawaii Pacific Health, Weinberg Foundation, and Kamehameha

Schools that will expand its consumer and affordable housing product offerings that will increase ALICE households' ability to mortgage qualify for homes that become available through the partnership.

## **II. 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;

Hawaiian Community Assets (HCA) is certified by the U.S. Department of Housing and Urban Development (HUD) as a nonprofit, 501(c)3 housing counseling agency. HCA's mission is to increase the capacity of low and moderate income communities and individuals to achieve and sustain economic self-sufficiency. The organization implements a comprehensive service delivery model to realize its mission that includes public education/outreach, career training/technical assistance, place-based financial education workshops, individualized housing counseling, and match savings and community lending programs. It is through this service delivery model that HCA provides Hawaii's Asset Limited, Income Constrained, Employed (ALICE) households with access to the mainstream financial system as a bridge to building assets and increasing income necessary to achieve economic self-sufficiency.

Since 2000 HCA has served more than 19,000 low and moderate income Hawaii residents through its programming, successfully assisting 6,011 children and adults secure or sustain affordable housing. Over the last 19 years HCA has managed public and private funds to implement its services, including those from the State Attorney General, Office of Hawaiian Affairs, and Department of Hawaiian Homelands (DHHL) as well as the Counties of Kauai, Hawaii, and Honolulu. The organization has been successful at leveraging Municipal and State resources to attract Federal funding from the Corporation for National and Community Service (CNCS), Administration for Native Americans, HUD, and the Department of the Treasury.

Recently, HCA was highlighted in the groundbreaking *Foundations for the Future* report<sup>1</sup> issued by Brandeis University which identifies the organization's work in financial education and asset building as a national best practice. Included in the report is a case study which confirms HCA's ability to address systemic economic and housing issues through its programming and in a way that empowers Hawaii residents to take control of their economic well-being, including finances, health, housing, and family and community relationships.

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<sup>1</sup> Foundations for the Future: Empowerment Economics in the Native Hawaiian Context. Institute on Assets and Social Policy, Brandeis University, Heller School. October 2017.  
[http://www.hawaiiancommunity.net/info/171009\\_FOUNDATIONS\\_FOR\\_THE\\_FUTURE.pdf](http://www.hawaiiancommunity.net/info/171009_FOUNDATIONS_FOR_THE_FUTURE.pdf)

HCA employs 11 full-time staff, supported by 15 AmeriCorps members, who provide services and products to low and moderate income children and families statewide, including ALICE who are workers and working families, victims of homelessness, first-time homebuyers, military service members and Veterans, and Hawaiian Homelands lessees. Staff work from 3 County-hub offices on Oahu, Hawaii Island, and Kauai as well as utilize additional remote site offices to deliver services on all islands across the state. The organization is managed by 1 Executive Director who is overseen by a 5-member Board of Directors.

In 2014, as the affordable housing crisis grew in the wake of the Great Recession, HCA created a 501(c)3 nonprofit subsidiary and US Department of Treasury certified Community Development Financial Institution (CDFI), Hawaii Community Lending (HCL), to specialize in providing consumer and affordable loans for Hawaii families experiencing or at-risk of homelessness. Today, HCL is projected to grow to a \$15 million revolving loan fund by 2022 with the specific goal of assisting the nearly 1 in 2 ALICE households we have in our state increase income and assets necessary to realize economic self-sufficiency.

For the *ALICE Affordable Housing and Jobs Partnership*, HCA and HCL will partner Kapili Like Hawaii LLC (Kapili Like) and Creative Options Real Estate Corporation (CORE) to bring affordable housing and jobs to ALICE households that are one paycheck away from complete financial ruin.

HCA will provide homebuyer education and counseling to increase ALICE households' knowledge of the homebuying process and establish action plans to increase income, build savings for down payment/closing costs, and improve credit.

HCL will offer a suite of consumer and affordable housing loans tailored to build credit, consolidate debt, and provide down payment assistance to ALICE households. Mortgage brokering services will be offered to ALICE households to ensure their ability to qualify for mortgage financing from local banks, credit unions, and Federal programs once the homes have been constructed or rehabbed. See HCA-HCL MOA enclosed.

Kapili Like is a nonprofit organization that provides accelerated construction industry vocational training, job placement, counseling and ongoing follow-up to at-risk individuals. Trained individuals are used as apprentices to build and rehab affordable housing with the organization's 20 approved contractors. This strategy along with wholesale pricing on home kit packages from Honsador Lumber allows Kapili Like to reduce the cost of housing units for ALICE households, while providing vital construction skills to a new generation of affordable housing builders. See Kapili Like Support Letter enclosed.

CORE is a for-profit corporation, formed in late 2019 that locates older, vacant, and distressed homes which it buys, rehabs and provides to local families and residents of Hawaii. CORE works with owners of real property who are at a place where they need or want to sell their place and use creative finance in order to purchase the homes and then

works collaboratively with local architects, engineers, and Kapili Like approved contractors to supply houses to ALICE households at affordable prices. See CORE Support Letter enclosed.

The *ALICE Affordable Housing and Jobs Partnership* is a comprehensive, “one-stop” approach to bring affordable housing and living wage paying jobs to our ALICE households across the state.

With \$628,395 million in secured funding from the Office of Hawaiian Affairs, Aloha United Way, US Department of Treasury, and a projected \$6.25 million in investments into HCL from Hawaii Pacific Health, Bank of Hawaii Foundation, Hawaii Community Foundation, Kamehameha Schools, and Weinberg Foundation by July 2020, HCA is requesting a \$5 million grant-in-aid to establish a revolving fund that will provide Kapili Like approved contractors and CORE low-interest lines of credit necessary to cover the upfront costs of acquiring older, vacant, and distressed homes and rehabbing them so they can be sold to mortgage qualified ALICE households at affordable prices ranging from \$200,000 to \$500,000.

2. The goals and objectives related to the request;

HCA, HCL, Kapili Like, and CORE will partner to build 5,000 affordable homes and create or save 1,000 jobs by the end of 2025. In the program’s first 12 months, 50 ALICE households will have purchased or rehabbed affordable homes and 100 at-risk youth or adults will have secured construction apprenticeships or jobs to increase their income.

The *ALICE Affordable Housing and Jobs Partnership* will achieve the proposed goal by completing 5 key objectives:

- (1) HCA will provide homebuyer education and counseling to 50 ALICE households.
- (2) Kapili Like will train 100 at-risk ALICE youth and adults in construction trades.
- (3) HCL will deploy \$5 million in lines of credit to CORE and Kapili Like approved contractors to cover upfront costs of both buying distressed properties and rehabbing homes for sale.
- (4) CORE will buy 50 older, vacant, or distressed homes and coordinate construction teams with Kapili Like approved contractors and apprentices to rehab the homes for sale.
- (5) HCL will assist 50 ALICE households obtain mortgage financing from local banks, credit unions, and Federal programs through its offering of consumer and affordable housing loans as well as mortgage brokering services.

The *ALICE Affordable Housing and Jobs Partnership* will be sustained beyond the 12-month funding period by including the costs of HCA homebuyer education, HCL mortgage brokering, Kapili Like training, and CORE costs into the closing disclosures in the final mortgage taken out by the ALICE household.

3. The public purpose and need to be served;

Nearly 1 in 2 Hawaii residents are living in poverty or are considered Asset Limited, Income Constrained, and Employed (ALICE) – one paycheck away from complete financial ruin (ALICE® Report, 2016). At the same time, 2 out of every 3 of us are financially coping or vulnerable, struggling to achieve long-term stability and pursue economic opportunities (Financial Health Pulse Survey, 2019). Access to affordable homeownership to build assets and good paying jobs to increase income are critical for ALICE individuals and households to achieve and sustain economic self-sufficiency. However, with Hawaii’s median single-family home sales price at \$780,000, there are few homes on the market that are affordable for ALICE households which results in these families having to live overcrowded in high-priced rentals, dilapidated and unsafe homes, or on the beach or streets to make ends meet. At the same time, the majority of jobs being offered in our local economy are in the service industry paying below ALICE annual income thresholds.

While there are a growing number of local contractors, for-profit corporations, and nonprofit developers wanting to make more affordable housing available for Hawaii residents, there is a lack of flexible, low-interest, patient capital available needed to acquire and rehab homes so they can be sold at prices ALICE households can afford.

It is through the *ALICE Affordable Housing and Jobs Partnership* that 3 nonprofit organizations and 1 for-profit business will come together to tackle this entrenched issue by offering a comprehensive, “one-stop” approach that will produce homes at affordable prices ranging from \$200,000 to \$500,000 as well as good paying jobs in the construction industry.

Utilizing the expertise of each organization and business individually for the collective good, the Partnership will allow households to build assets and increase income above the ALICE threshold. ALICE will first enroll in homebuyer education and counseling to prepare themselves for homeownership. Training through Kapili Like will be offered to increase income of ALICE individuals. Next, ALICE will receive a mortgage qualification estimate that will be used to pair them with the affordably priced home made available through CORE and Kapili Like approved contractors. Kapili Like apprentices will help with rehabbing homes bought by CORE, worked on by Kapili Like contractors, and financed upfront by HCL using grant-in-aid funds as a low-interest line of credit with deferred principal. At the end of the process, ALICE households will qualify for mortgage financing at local banks, credit unions, or Federal programs to purchase affordable homes and ALICE individuals will increase income by gaining skills in the construction trades.

Purchase of homes will increase households’ net worth above the ALICE threshold, while good paying jobs in the construction industry will increase their annual wages to break free from having constrained income. At the same time, ALICE households’ move to homeownership will free up rental units for very-low and low-income households living in poverty and who are sheltered or unsheltered homeless.

Rehabbing older, vacant, and/or distressed homes will also help stabilize neighborhoods by reducing instances of crime, vandalism, and squatting as well as increase property values of surrounding homeowners. Increased homeownership rates will in-turn increase property taxes for County governments that will make financial resources available to invest in much-needed infrastructure improvements alongside the State and private marketplace necessary to build more affordable housing for very-low and low-income households living in poverty. Finally, homeownership will create the foundation children need to be healthier, get better grades, and be more engaged in their communities.

With a \$5 million grant-in-aid, the *ALICE Affordable Housing and Jobs Partnership* will provide Kapili Like contractors and CORE access to low-interest, patient capital to achieve the goal of rehabbing 50 homes and training 100 at-risk youth and adults in the first 12 months. Grant-in-aid funds will be managed by HCA’s US Department of Treasury certified loan fund, HCL, with revolving funds used to buy properties and pay for construction costs. Interest-only payments will pay for HCL staffing and overhead and the principal t will be returned to the fund upon purchase of the home so additional homes can be rehabbed for ALICE households. By 2025, 5,000 affordable homes will be made available to ALICE households along with 1,000 apprenticeships or jobs created or saved in the construction industry.

4. Describe the target population to be served; and

The *ALICE Affordable Housing and Jobs Partnership* will serve households that are considered Asset Limited, Income Constrained, and Employed – one paycheck away from homelessness and complete financial ruin.

Since its inception, HCA has focused on serving low and moderate income households who meet the ALICE household definition. Demographic information for the average HCA client household at intake is listed in the table below based on its 2019 production. Data has been gathered from HCA’s internal client data managed in its electronic client management system, OTIS. Based on the information below, 92% of HCA client households are ALICE and report to be “low income”, meaning they earn less than 80% the HUD area median income (AMI).

|                                |                     |
|--------------------------------|---------------------|
| <b>Head of Household</b>       | 58% Female          |
| <b>Annual Household Income</b> | \$44,538            |
| <b>Household Size</b>          | 3.4 persons         |
| <b>Savings</b>                 | <\$500              |
| <b>Credit Score</b>            | 76% below 640       |
| <b>Debt-to-Income Ratio</b>    | >50%                |
| <b>Demographics</b>            | 78% Native Hawaiian |

5. Describe the geographic coverage.

The *ALICE Affordable Housing and Jobs Partnership* will provide affordable homes and good paying jobs in communities across the State of Hawaii with a particular focus on



rural and underserved areas that possess a significant amount of older, vacant, and/or distressed properties.

Homebuyer education and counseling – the first “stop” for ALICE households - 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
- 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 Kalanianaʻole Avenue, Hilo, HI 96720
- Laiopua 2020, 74-5599 Luhia Street, Suite #E5, Kailua-Kona, HI 96740

Kauai

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

Maui

- Catholic Charities Hawaii, 2050 Main Street, Suite 3A, Wailuku, HI 96793

Molokai

- University of Hawaii Education Center, Kaunakakai, HI 96748

Lanai

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

### **III. 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;

The following details the *ALICE Affordable Housing and Jobs Partnership* activities that will be delivered by identified staff from each entity:

**Homebuyer Education and Counseling.** HCA Community Services Assistants and Specialists will collect intake packets, deliver homebuyer education workshops, and conduct one-on-one pre-purchase counseling with ALICE households to increase their knowledge of the homebuying process and create action plans to increase income, build savings, and improve credit to qualify for mortgage financing.

**Construction Industry Training.** Kapili Like Trainers will train at-risk youth and adults from ALICE households in the construction trades to build their capacity to earn wages above the ALICE threshold.

**Grants, Loans, and Mortgage Financing.** HCL Loan Officers will conduct mortgage qualification estimates with ALICE households to determine housing affordability. HCL will locate down payment assistance grants for ALICE households and offer loans for credit building, debt consolidation, and down payment/closing costs to improve their financial profile. Mortgage brokering services will be made available to assist ALICE households qualify for affordable mortgage financing through local banks, credit unions, and Federal programs.

**Lines of Credit.** HCL Director of Lending and Development will administer lines of credit to CORE for purchase of older, vacant, and/or distressed properties and to Kapili Like approved contractors for home rehab construction costs. Lines of credit will be serviced by the Director of Lending and Development with support from HCA’s Office Manager.

**Home Rehabilitation.** CORE’s Lead Consultant will identify properties and work with current owners to acquire said properties. Kapili Like approved contractors and apprentices will rehab homes at reduced costs to meet the ALICE households’ mortgage qualification. Wholesale pricing from Honsador Lumber will assist with the reduction in lumber costs. Throughout the construction process, HCA and HCL team members will maintain communication with ALICE households.

**Home Purchase.** HCL will work with ALICE households and local banks, credit unions, and Federal programs to close on their mortgage to purchase a home. HCA Counselors will conduct a homeowner counseling session with ALICE households to establish a homeowner budget that includes savings for home maintenance and emergencies.

**Administration and Reporting.** HCA’s Executive Director will oversee the grant-in-aid activities and financial management for HCA and HCL programming. The Director of Lending and Development will serve as project manager ensuring completion of project objectives and major tasks. Reporting will be the responsibility of the Director of Lending and Development with support from the Office Manager. Monthly meetings will be held between all partner organizations and businesses to monitor progress.

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

| Objectives and Major Tasks     | Performed By  | MONTH |   |   |   |   |   |   |   |   |    |    |    |   |
|--------------------------------|---------------|-------|---|---|---|---|---|---|---|---|----|----|----|---|
|                                |               | 1     | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |   |
| Serve 50 ALICE households with | HCA Community | X     | X | X | X | X | X | X | X | X | X  | X  | X  | X |

|  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|--|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| homebuyer education and counseling   | Services Specialists/Assistants         |   |   |   |   |   |   |   |   |   |   |   |   |   |
| Train 100 at-risk ALICE youth and adults in construction trades                      | Kapili Like Trainers                    | X | X | X | X | X | X | X | X | X |   |   |   |   |
| Provide grants, loans, and mortgage brokering services to 50 ALICE households        | HCL Loan Officer                        | X | X | X | X | X | X | X | X | X | X | X | X | X |
| Identify 50 older, vacant, and/or distress properties to buy and rehab               | CORE Lead Consultant                    | X | X | X | X | X | X |   |   |   |   |   |   |   |
| Deploy \$5 million to buy identified properties and cover upfront construction costs | HCL Director of Lending and Development |   |   | X | X | X | X | X | X | X | X | X | X | X |
| Assist 50 ALICE households secure mortgage financing to purchase rehabbed homes      | HCL Loan Officer                        |   |   |   |   |   |   | X | X | X | X | X | X | X |
| Coordinate and conduct 12 monthly partnership meetings to monitor progress           | HCL Director of Lending and Development | X | X | X | X | X | X | X | X | X | X | X | X | X |
| Generate and submit reports and invoices   | HCL Director of Lending and Development |   |   |   | X |   |   |   | X |   |   |   |   | X |
| Assist with project reporting and invoicing  | HCA Office Manager                      | X | X | X | X | X | X | X | X | X | X | X | X | X |
| Provide oversight and financial management   | HCA 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 will serve as project manager for the Partnership and oversee quality assurance and evaluation plans related to homebuyer education and counseling. HCA will follow its Annual HUD Housing Counseling Plan to implement quality control activities.

HCL will manage quality assurance of its loan fund with oversight from its Board of Directors. See below for more information.

CORE will oversee and implement quality assurance and evaluation plans for acquisition and construction activities based on its extensive history with OSHA, planning, permitting, and other construction requirements. See CORE's chief executive resume enclosed for more information.

Upon notice of award, HCA and HCL will convene partners to define work plans necessary to complete the project objectives and major tasks within the 12-month period. MOAs will be executed that includes these work plans.

Monthly partner meetings will be coordinated and conducted by HCL's Director of Lending and Development to monitor progress of each partner according to their individualized work plans. During meetings, partners will bring documentation to verify completion of project activities (i.e. homebuyer education workshop sign-in sheets, construction training rosters and class attendance worksheets, mortgage qualification pipeline reports, property listings, capital deployment reports, construction timelines, etc). Documentation will be submitted to HCA's Office Manager for reporting.

If in the event a partner has not met their established work plans, HCA and HCL will work with the partner to develop a corrective action plan that will ensure the partner's ability to meet the proposed objectives and major tasks for which they are responsible.

If a partner is unable to meet their work plan outcomes, HCA and HCL will identify other partners in the community that can offer training/technical assistance to increase the partner's capacity to meet its proposed activities.

For management of the \$5,000,000 revolving loan fund, HCL will implement the following quality assurance plan and policies and procedures with support from its parent corporation, HCA.

**Loan Files.** Quality assurance reviews of borrower files are conducted by the Executive Director monthly with support from the Director of Lending and Development and prior to reporting 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, 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 10 business days of receiving a loan application packet and within 5 business days for Emergency Loan applications. 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 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, 3) generating required loan portfolio reports for the commission. All payments received from borrowers shall be applied first to satisfy any outstanding Late Fees, second to Accrued Interest, and finally to reduce Loan Principal. Any discrepancies from amounts due are to be reconciled within 30 days.

**Loss Mitigation Plans.** HCL shall first and foremost, attempt to apply standard loss mitigation best practices to any loan that becomes delinquent or has the potential to become delinquent as a result of job loss, or the financial standing of the borrower causes their total debt-service coverage ratio to be less than 1.0 or their debt-to-income ratio

greater than 60% or other catastrophic event impacting repayment ability of borrower. HCL will partner with HCA to assist with loss mitigation.

1. May be executed by Director of Lending and Development. Curable Reinstatement – One time lump sum payment to repay accrued past due principal and interest. Late fees and penalties may be waived.
2. May be executed by Director of Lending and Development. Curable Repayment Plan – Regular monthly payments plus an additional amount to address past due principal and interest. Late fees and penalties may be waived.
3. May be executed by Director of Lending and Development. Curable Forbearance – Principal and interest payment freeze for up to 6 months due to unemployment. During the 6-month forbearance period, borrower must report monthly on employment, and must work with a third party mediator to develop a repayment plan or loan modification for consideration by HCL.
4. May be executed by Director of Lending and Development. Curable Special Forbearance – Principal and interest payment freeze for up to 12 months due to unemployment for borrowers that are either age 60 or more, a Veteran, or a widower of 2 years or less. During the 12-month forbearance period, borrower must report monthly on employment, and must work with a third party HUD-certified housing counseling agency to develop a repayment plan or loan modification for consideration by HCL.
5. May be executed by Director of Lending and Development. Curable Loan Modification – Interest rate is reduced, late fees and penalties are waived, and loan is re-amortized; or past due principal and interest are combined and scheduled to be paid on the last payment due date of the original loan.
6. Requires Board/Loan Committee Approval. Principal Reduction – Principal loan forgiveness up to 50% of total outstanding principal loan amount.
7. Requires Board/Loan Committee Approval. Curable Loan Assumption - Full or partial loan assumption by a financially qualified successor. Assumes terms of loan.

**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 housing 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 housing counseling agency.

2. *30 Days Late.* On or before the 30th day of delinquency, HCL, or a contracted HUD-certified housing 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 housing 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 housing 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 housing 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.

If a Loss Mitigation Plan is finalized with the borrower, it will be presented to HCL for consideration. If the Loss Mitigation Plan requires 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.

3. *60 Days Late.* On or before the 60th day of delinquency, HCL will mail a standard written Second Late Notice to the borrower, HCL will formally assign a contracted HUD-certified housing counseling agency to the borrower and provide relevant data on the borrower to the agency to assist HCL in making contact and to begin loss mitigation counseling.

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 a contracted HUD-certified housing 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.

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.

4. *90 Days Late.* On or before the 90th day of delinquency, 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 to contact HCL and/or the contracted HUD-certified counseling agency assigned to the borrower to assist with options, if the loan is not brought current, restructured or modified.

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.

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 housing 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 housing 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.

If a Loss Mitigation Plan is finalized with the borrower, it will be presented to HCL for consideration. If the Loss Mitigation Plan requires 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.

6. *150 Days or More Late/Pursuit of Legal Action.* Unless a Delinquent Loan Assessment and Loss Mitigation Plan is under way to the satisfaction of HCL or the borrower is making consistent payments of any amount, repeat activity under item 6 plus include in the certified letter the intention of HCL to pursue Legal Action and indicate the scheduled date of a Meeting with the HCL Board, which can be set no earlier than 30 days from the date of the written notice.
7. *180 Days or More Late/Delinquent Loan Meeting.* Unless a Delinquent Loan Assessment and Loss Mitigation Plan is under way to the satisfaction of HCL or the

borrower is making consistent payments of any amount, HCL will Request Legal Action at the HCL Board under item 6 above.

The HCL Board may issue a Decision to approve the request for Legal Action, or to approve or deny a Loss Mitigation Plan or to direct HCL on the disposition of the borrower's loan. HCL will record actions of the Board 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 immediately.

8. *Loss Mitigation Plans Non-Compliance.* HCL is under no obligation to repeat multiple Loss Mitigation Plans for a single borrower. Should any borrower fail to comply with an approved Loss Mitigation Plan, HCL may at its discretion follow the standard process for loan delinquency servicing described in 1 – 7, or in its sole determination, HCL may accelerate to request a Delinquent Loan Meeting by the Board.

**Loan Portfolio Management and Reporting.** HCL is responsible for tracking and reporting to the HCL Board, the performance of its Loan Portfolio and Programs in accordance with these policies. On a quarterly basis, HCL will present to the Board the following:

1. *Capitalization Report.* A report outlining the amount of capital available for lending, including contributions to the loan fund(s) available through equity investments, interest income, and other sources. The report should also outline total loans outstanding and the loan deployment ratio.
2. *New Loans Report.* A report outlining any new loans made during the reporting period.
3. *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.
4. *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.
5. *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.

*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.

*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 its partners will deem the *ALICE Affordable Housing and Jobs Partnership* successful if the following outcomes are met by June 30, 2021:

- 50 ALICE households complete homebuyer education and counseling
- 100 at-risk ALICE youth and adults graduate from construction training
- 50 ALICE households complete a mortgage qualification estimate
- 50 properties identified to buy and rehab
- \$5 million deployed to buy properties and/or cover upfront rehab costs
- 50 ALICE households have secured mortgage financing to purchase affordable homes

50 ALICE households complete homebuyer education and counseling. Participant completion of homebuyer education and counseling will be tracked via HCA's electronic client management system, OTIS. Workshop rosters and client logs will be used to verify completion of this measure.

100 at-risk ALICE youth and adults graduate from construction training. Participant completion of Kapili Like construction training via hardcopy sign-in sheets. Sign-in sheets will be submitted by Kapili Like to HCA monthly to monitor progress on this measure.

50 ALICE households complete a mortgage qualification estimate. Participant completion of a mortgage qualification estimate will be tracked via hardcopy mortgage qualification estimates completed by HCL loan officers. Copies will be submitted by HCL to HCA monthly to monitor progress on this measure.

50 properties identified to buy and rehab. A list of older, vacant, and/or distressed properties will be developed by CORE based on their assessment of rural and underserved areas across the state. The list will be submitted by CORE to HCA monthly to monitor progress on this measure.

\$5 million deployed to buy and rehab homes. Deployment of grant-in-aid funds to CORE to buy properties and Kapili Like contractors to cover upfront rehab construction costs will be tracked via copies of loan documents and loan proceeds checks. Copies of loan documents will be submitted by HCL to HCA monthly to monitor progress on this measure.

50 ALICE households will secure mortgage financing to purchase homes. Loan estimates from local banks, credit unions, and Federal programs will be used to track the number of ALICE households who qualify for mortgage financing. Copies of loan estimates will be submitted by HCL to HCA monthly to monitor progress on this measure.

#### **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](#))
  
2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2021.

| Quarter 1 | Quarter 2   | Quarter 3   | Quarter 4   | Total Grant |
|-----------|-------------|-------------|-------------|-------------|
| \$500,000 | \$1,500,000 | \$1,500,000 | \$1,500,000 | \$5,000,000 |

3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2021.

See Budget request by source of funds enclosed.

This Budget includes sources of funds that have been secured, including funding from the Administration for Native Americans and US Department of Treasury (Federal) and Office of Hawaiian Affairs and Hawaii Commission for National and Community Services (State). Requests of \$6,250,000 in grants, low-interest debt, and loan guarantees for match savings accounts and consumer and affordable housing loans for ALICE households to facilitate the homeownership process have been made and are in negotiations with Bank of Hawaii Foundation, Hawaii Community Foundation, Hawaii Pacific Health, Kamehameha Schools, and Weinberg Foundation.

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.

HCA has received no state or federal tax credits in the past.

5. The applicant shall provide a listing of all federal, state, and county government contracts, grants, and grants in aid it has been granted within the prior three years and will be receiving for fiscal year 2021 for program funding.

See listing of all federal, state, and county government contracts, grants, and grants in aid that have been granted within the prior three years and will be received by HCA for fiscal year 2021 for program funding.

6. The applicant shall provide the balance of its unrestricted current assets as of December 31, 2019.

HCA's balance of unrestricted current assets as of December 31, 2019 was \$212,855.

## **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 and its partners dedicated to the *ALICE Affordable Housing and Jobs Partnership* share more than 150 years of experience related to the project proposal, specifically in the supervision of staff, delivery of HUD homebuyer education and counseling, mortgage brokering, administration of loans and loan funds, construction training, and managing housing development from planning and acquisition through construction.

HCA is Hawaii's largest HUD-approved housing counseling agency. Its staff are certified as Homeownership Professionals and complete ongoing education to stay informed of updates and changes to the mortgage industry.

HCL is a Department of Treasury certified Community Development Financial Institution and wholly-owned nonprofit subsidiary of HCA. HCL staff have a combined 50 years of experience in mortgage and community finance as related to this proposed project. HCL is Hawaii's only statewide CDFI that specializes on consumer and affordable housing loans for ALICE households and social enterprises building homes for the target population.

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.

HCA will utilize its partnership with Kapili Like and its capacity to train at-risk ALICE youth and adults in the construction trades and coordinate construction teams using their approved contractors. In early 2019, Kapili Like expanded their training program on Oahu when the Council for Native Hawaiian Advancement secured a grant from Aloha United Way and contracted the organization to launch the Hawaiian Trades Academy. The academy is providing economic opportunity and hope to the unemployed and underemployed, formerly incarcerated individuals, and 90 graduates have graduated from the Kapili Like Hawaiian Trades Academy and earned trades skills and certifications for employment, with job placement or promotions. In August 2019, Kapili Like expanded its training statewide.

With relation to building and rehabbing homes, Kapili Like and its approved contractors have built 20 homes on Hawaii Island – all under \$350,000 for purchase by our low- and moderate-income households. Currently, they have 2 builds under construction in Papakolea and 1 in Waimanalo. A partnership with Honsador Lumber has resulted in affordable home kit packages at wholesale prices for studio, 1-bedroom, 2-bedroom, and 3-bedroom homes – all under the new Kapili Like line.

HCA will utilize its partnership with CORE and its capacity to coordinate acquisition and construction for ALICE housing projects. CORE's Lead Consultant has over 30 years experience overseeing the construction of housing projects, including time as a construction site supervisor managing teams of apprentices and contractors. Its professional site management expertise has proven proficiency in OSHA compliance, internal and external communications, crew supervision and cost control. CORE has completed 494 units of housing across the State of Hawaii.

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:** Increasing Economic Self-Sufficiency of Native Hawaiians through Stable Housing

**Contract Agency:** Office of Hawaiian Affairs

**Contact Person:** Keith Yabusaki

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

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

**Contract Period:** July 1, 2015 – June 30, 2017

**Funding Amount:** \$530,118

**Performance Outcomes:** During the contract period, HCA achieved the following outcomes:

- \$125,000 in loan capital deployed to 71 borrowers

- \$200,000 in match funds disbursed to 100 participants for first month's rent/deposit and past due mortgage payments
- 1099 low-income Native Hawaiians enrolled in services
- 690 low-income Native Hawaiians served with financial education, housing counseling, match savings, and microloans
- 47% of Native Hawaiians served increased their financial capacity to rent or own homes (i.e. increased income/savings, decreased derogatory debt, improved credit)
- 129 Native Hawaiian families secured or sustained affordable housing

Contract Title: Building Stability in Housing Project

Contract Agency: Office of Hawaiian Affairs

Contact Person: Keith Yabusaki

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

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

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

Funding Amount: \$470,000

Performance Outcomes: During the contract period, HCA has achieved the following outcomes to-date as of November 30, 2017:

- \$95,00 in loan capital has been deployed to 62 borrowers
- \$155,000 in match funds have been disbursed to participants for first month's rent/deposit or down payment/closing costs
- 1004 low- and moderate-income Native Hawaiians have been served with financial education, housing counseling, match savings, and microloans
- 53% of Native Hawaiians served with education and counseling increased their financial capacity to rent or own homes (i.e. increased income/savings, decreased derogatory debt, improved credit)
- 123 Native Hawaiian children and adults secured stable housing through homeownership
- 181 Native Hawaiian children and adults secured stable housing through obtaining rentals

Contract Title: Hawaii Emergency Loan Program

Contract Agency: Aloha United Way

Contact Person: Monique Weisman

Contact Address: 200 N Vineyard Boulevard, Suite 700, Honolulu, HI 96817

Contact Information: 808-543-2260, mweisman@auw.org

Contract Period: January 1, 2018 – December 31, 2019

Funding Amount: \$200,000

Performance Outcomes: During the contract period, HCA achieved the following outcomes:

- \$450,000 in additional loan capital and operations monies secured from Hawaii Community Foundation and Hawaii State Grant-in-Aid to establish a revolving loan program that provides emergency loans for first month's rent/deposit and past due rent/mortgage
- 476 ALICE households served with financial counseling

- 44 ALICE households obtained rentals
- 156 ALICE households prevented foreclosure or eviction
- 7 ALICE households rebuilt homes after a natural disaster

## **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.

Homebuyer education, counseling, 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 A300, Honolulu, 96817
- 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, 74-5599 Luhia Street, Suite #E5, Kailua-Kona, HI 96740

### Kauai

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

### Maui

- Catholic Charities Hawaii, 2050 Main Street, Suite 3A, Wailuku, HI 96793

### Molokai

- University of Hawaii Molokai Education Center, 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.

Kapili Like will use the following facilities for its construction training classes:

- Hale Pono'i, 91-5420 Kapolei Parkway, Kapolei, HI 96707
- Waimānalo Homestead Halau, 41-209 Ilauhole Street, Waimānalo, HI 96795
- Ke Kama Pono, 2150 Tantalus Drive, Honolulu, HI 96813



Kapili Like will utilize HCA's remote space provided by partners on all other islands to conduct training classes.

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

### **1. 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.

HCA and HCL will dedicate 3.0 full-time staff equivalent (FTE) to the *ALICE Affordable Housing and Jobs Partnership*.

AmeriCorps State members, specifically Community Services Assistants, represent 1.0 FTE. 0.50 FTE in Community Services Specialists is projected. Project oversight and financial management will be provided by 0.25 FTE Executive Director. Administrative support is projected at .25 FTE Office Manager. 0.50 FTE Director of Lending and Development will be dedicated to the project to coordinate and conduct the partnership and administer and manage the revolving loan funds. 0.50 FTE Loan Officer will assist ALICE households with mortgage financing and affordable housing and consumer loans.

Salaries and overhead of HCA staff as well as operations costs for the delivery of homebuyer education, counseling, and consumer and affordable housing loans will be covered with secured Federal and State grant funds. Revenue earned from interest-only payments on the deployment of \$5,000,000 in lines of credit to CORE and Kapili Like approved contractors will cover the cost of salary and overhead for the Director of Lending and Development. Mortgage brokerage fees will pay for salary and overhead for the Loan Officer.

1.0 FTE senior management staff – Executive Director, Director of Lending and Development, and Office Manager - will be dedicated to administration, quality control, financial management, and oversight including reporting, accounting and project oversight.

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

Executive Director, Lahela William (.25 FTE) will be responsible for:

- Provide overall project oversight
- Fiscal management of grant funds

Office Manager, Rona Kahoonei (.25 FTE) will be responsible for:

- Loan servicing
- Management of project activities related to fiscal and accounting management
- Assist with grant reporting

Director of Lending and Development, Jeff Gilbreath (.50 FTE) will be responsible for:

- Loan fund management
- Line of credit loan application processing, underwriting, and closing
- Overseeing mortgage brokering services and loan servicing, including compliance and licensing
- Reporting loan fund activities to HCA Executive Director, HCA/HCL Board of Directors, and funders and investors, including the State of Hawaii for the grant-in-aid funding
- Ensuring implementation and quality control of HCL loan policies and procedures
- Coordinate partnerships and conduct monthly partnership meetings

Loan Officer, Winona Kauhane, (.50 FTE) will be responsible for:

- Affordable housing and consumer loan processing, underwriting, approval, and origination
- Broker and package mortgages to local banks, credit unions, and Federal programs
- Conducting mortgage loan estimates
- Maintaining communication with ALICE households throughout the process
- Grant reporting and management
- Managing community partnerships
- Assist with program evaluation and quality control

Community Services Specialists, Joyce Davis, Shyla Lafaele, Rose Transfiguracion, (1.0 FTE) will be responsible for:

- Delivering homebuyer education workshops
- Conducting pre-purchase homebuyer counseling
- Completing financial assessments for ALICE households
- Data entry into HCA's client management system, OTIS
- Conducting case management, including referral to additional services to support housing stability
- Maintaining communication with ALICE households throughout the process

Community Services Assistants, Robin Auger and Chanel Kuehu (AmeriCorps State) (1.0 FTE) will be responsible for:

- Processing ALICE household intake packets
- Assisting with homebuyer education workshops and pre-purchase homebuyer counseling
- Date entry and education/client file maintenance
- Maintaining communication with ALICE households throughout the process

Qualifications and experience of HCA staff dedicated to the project have been listed on the following page:

| <b>Staff/Position</b>                                  | <b>Years of Experience Related to Project Proposal</b>       | <b>Other Related Qualifications</b>   |
|--|--|---|
| Lahela Williams/<br>Executive Director                 | <ul style="list-style-type: none"> <li>• 15 years</li> </ul> | <ul style="list-style-type: none"> <li>• Grants Management and Reporting</li> <li>• Quality Control</li> <li>• HUD Compliance</li> <li>• Financial Management and Organizational Oversight</li> <li>• Board Treasurer Positions</li> </ul>                        |
| Jeff Gilbreath/<br>Director of Lending and Development | <ul style="list-style-type: none"> <li>• 19 years</li> </ul> | <ul style="list-style-type: none"> <li>• CDFI Loan Capitalization and Loan Fund Management</li> <li>• Loan Servicing</li> <li>• HUD Compliance</li> <li>• Affordable Housing Finance</li> </ul>   |
| Rona Kahoonei/<br>Office Manager                       | <ul style="list-style-type: none"> <li>• 12 years</li> </ul> | <ul style="list-style-type: none"> <li>• Quickbooks</li> <li>• Financial Product Management</li> <li>• Loan Servicing</li> </ul>  |
| Winona Kauhane/<br>Loan Officer                        | <ul style="list-style-type: none"> <li>• 33 years</li> </ul> | <ul style="list-style-type: none"> <li>• USDA 502 Direct Loan Packaging</li> <li>• Mortgage Brokering/Packaging</li> <li>• Mortgage Loan Origination/Processing</li> <li>• Mortgage Loan Estimates</li> <li>• Affordable Housing and Community Finance</li> </ul> |
| Joyce Davis/<br>Community Services Specialist          | <ul style="list-style-type: none"> <li>• 6 years</li> </ul>  | <ul style="list-style-type: none"> <li>• Homeownership Counseling</li> <li>• Financial Capability Counseling</li> <li>• Financial Education</li> <li>• Consumer Loan Packaging</li> </ul>   |
| Rose Transfiguracion                                   | <ul style="list-style-type: none"> <li>• 9 years</li> </ul>  | <ul style="list-style-type: none"> <li>• Homeownership Counseling</li> <li>• Financial Capability Counseling</li> <li>• Financial Education</li> <li>• Consumer Loan Packaging</li> </ul>   |
| Shyla Lafaele/<br>Community Services Specialist        | <ul style="list-style-type: none"> <li>• 1 year</li> </ul>   | <ul style="list-style-type: none"> <li>• Homeownership Counseling</li> <li>• Financial Capability Counseling</li> <li>• Financial Education</li> <li>• Consumer Loan Packaging</li> </ul>   |

AmeriCorps State members serve in entry-level positions and are required to complete an HCA on-the-job training program and financial trainer certification course in order to serve with the organization

HCA partner, Kapili Like, will dedicate 1.0 FTE Trainer to deliver construction trainings to at-risk ALICE youth and adults, while an estimated 4.0 FTE Contractors will be contracted to complete construction activities. Salary and operations costs for Kapili Like's Trainer and contractors will be covered by including said costs in the purchase of homes to be paid with permanent mortgage financing secured by ALICE households.

Gary Silva is the General Contractor and Instructor of Building Construction Trades. As General Contractor, he is responsible for providing all of the material, labor, equipment (such as engineering vehicles and tools) and services necessary for the construction of the project. As Construction Instructor, he is responsible for classroom and lab instruction in various building construction courses and assists in devising degree/certification programs and updating the curriculum. Gary has over 30 years in the construction industry and has held various Painters Union positions.

Following his extended career as a general contractor and in the union, Gary served as the Construction Instructor at Hawai'i Job Corps (Waimanalo) for over 22 years. Gary Silva is one of only two individuals in the state with accreditations enabling him to provide certified construction training (OSHA-10 Safety etc.).

Russell Soriano, Constructor Instructor: Russell is a well experienced Training Consultant with 40 years of experience in the Carpentry Trade. Gilbert previously worked with Commercial Carpentry Union. He has been a senior journeymen specializing in both Commercial and Residential Trades.

James Curtis, OSHA and Safety is a veteran Carpenter and OSHA Trainer. He has found his calling as an OSHA instructor and was able to blend both his passion for teaching and Carpentry.

Gary Germano, Electrical Instructor is a veteran instructor at the Honolulu Community College where he has taught for over 10 years. Gary is an active volunteer and extends his services completing weekend build projects with Habitat for Humanity.

Kapili Like approved contractors include the following list:

|  |   |   |
|--|---|---|
| HBR Builders<br>Honolulu, Hawaii<br>(808)425-2276                                  | Quality General<br>99-1219 Iwaena Street<br>Aiea, HI 96701<br>(808) 487-3614    | Kelii Painting and<br>Construction<br>452 Kalama Street-Oahu<br>(808)728-8718 |
| KaiRidge Construction<br>1888 Kalakaua Ave<br>Honolulu, HI 96815<br>(808) 589-7630 | Kokea Construction<br>1602 Auiki St # A<br>Honolulu, HI 96819<br>(808) 842-4454 | KHI Builders<br>19 N Kainalu Dr.<br>Kailua, HI 96734<br>(808) 261-2235        |
| DJs Construction<br>3600 Aolele St #31314  | Ohana Builders<br>2144 Kauhana St   | Kalakoa Painting<br>(808)744-0082   |

|   |   |   |
|---|---|---|
| Honolulu, HI 96820<br>(808) 487-3202  | Honolulu, HI 96816<br>(808) 427-3147                                  | 330 Uluniu St #110<br>Kailua Hi   |
| Nohealani Masonry<br>Contractor<br>1 Fort, weaver Road<br>Ewa Beach, HI 96706<br>(808) 230-0224 | Mikes Fencing<br>711 Wailepo Pl<br>Kailua, HI 96734<br>(808) 263-3623 | J&D Construction<br>94-515 Uke'e Street #303<br>Waipahu, HI 96797<br>(808) 680-0506 |
| HiloBuilders LLC<br>Hilo, Hawaii<br>(808) 557-1958  |   |   |

CORE will dedicate 1.0 FTE Lead Consultant to coordinate buying of properties, supervising projects, and making homes available for sale to ALICE households. The Lead Consultants' costs for salary, overhead, and operations will be covered by including said costs in the purchase of homes to be paid with permanent mortgage financing secured by ALICE households.

Mark Saito is a results-oriented Construction and Projects Manager who works efficiently and effectively to complete projects on time and within budget. He has worked with Build Systems International, Nan Inc., Dick Pacific, and Habitat for Humanity for over 30 years before starting CORE in 2019. He has been extremely successful at finding cost-effective solutions to the various challenges that arise during residential and commercial construction. Mr. Saito has a strong understanding of inspection compliance and building codes and is gifted in reading through blueprints, budgets, estimates and building plans. He is a Professional Site Manager with proven proficiency in OSHA compliance, internal and external communications, crew supervision and cost control. Committed to on-time project completions, cost effective budgeting and superb work quality, Mr. Saito is dedicated to serving the housing needs of Hawaii's ALICE households – a gap group the current building industry is not serving.

**2. 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 HCA's organization chart enclosed.

**3. Compensation**

The applicant shall provide an annual salary range paid by the applicant to the three highest paid officers, directors, or employees of the organization by position title, not employee name.

Executive Director, \$80,000 to \$100,000  
Director of Lending and Development, \$75,000 - \$90,000  
Program Director, \$50,000 - \$70,000

## **VII. Other**

### **1. 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.

HCA has no pending litigation to which it is a party.

### **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>.

Kapili Like's construction trainer holds the American Council for Construction Education Accreditation certificate held that allows participants to earn construction certifications such as OSHA-10/20/30.

CORE has over 30 years of experience in supervising and leading construction of 494 housing units with apprentices and volunteer labor, while ensuring the homes remain affordable for low- and moderate-income households.

### **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 2020-21 the activity funded by the grant if the grant of this application is:

- (a) Received by the applicant for fiscal year 2020-21, but
- (b) Not received by the applicant thereafter.

If HCA receives its proposed funds during fiscal year 2020-21, the organization will use the funds to provide lines of credit with 1% annual interest-only payments to CORE and Kapili Like approved contractors so they can buy older, vacant, and distress properties and cover upfront rehab costs. The lines of credit will fill a critical gap in financing that CORE and Kapili Like approved contractors are unable to find in the mainstream marketplace at this time and therefore, prohibits their ability to build affordable homes for ALICE households at scale. HCA will generate interest revenue necessary to manage the \$5 million revolving fund through its subsidiary, HCL, in perpetuity and to support the goal of the *ALICE Affordable Housing and Jobs Partnership*. Principal payoff of the lines of credit as well as costs of HCA, HCL, Kapili Like, and CORE operations will be covered with permanent mortgage financing secure by ALICE households, making the partnership sustainable after its initial 12 months.



## 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 16, 2020

Director of Commerce and Consumer Affairs





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

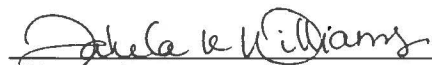
The undersigned authorized representative of the applicant certifies the following:

- 1) The applicant meets and will comply with all of the following standards for the award of grants pursuant to Section 42F-103, Hawai'i Revised Statutes:
  - a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant is awarded;
  - b) Complies with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
  - c) Agrees not to use state funds for entertainment or lobbying activities; and
  - d) Allows the state agency to which funds for the grant were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant.
  
- 2) If the applicant is an organization, the applicant meets the following requirements pursuant to Section 42F-103, Hawai'i Revised Statutes:
  - a) Is incorporated under the laws of the State; and
  - b) Has bylaws or policies that describe the manner in which the activities or services for which a grant is awarded shall be conducted or provided.
  
- 3) If the applicant is a non-profit organization, it meets the following requirements pursuant to Section 42F-103, Hawai'i Revised Statutes:
  - a) Is determined and designated to be a non-profit organization by the Internal Revenue Service; and
  - b) Has a governing board whose members have no material conflict of interest and serve without compensation.

Pursuant to Section 42F-103, Hawai'i Revised Statutes, for grants used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant used for the acquisition of the land.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

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

  
(Signature)

1/17/2020  
(Date)

Lahela Williams  
(Typed Name)

Executive Director  
(Title)

## BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2020 to June 30, 2021

Applicant: Hawaiian Community Assets, Inc

| BUDGET CATEGORIES                         | Total State Funds Requested (a) | Total Federal Funds Secured (b)       | Total State Funds Secured (c) | Total Private/Other Funds Requested (d) |
|---|---------------------------------|---------------------------------------|-------------------------------|---|
| <b>A. PERSONNEL COST</b>                  |                                 |                                       |                               |   |
| 1. Salaries                               |                                 | 88,500                                | 69,500                        |   |
| 2. Payroll Taxes & Assessments            |                                 | 11,360                                | 4,356                         |   |
| 3. Fringe Benefits                        |                                 | 29,961                                | 10,350                        |   |
| <b>TOTAL PERSONNEL COST</b>               |                                 | <b>129,821</b>                        | <b>84,206</b>                 |   |
| <b>B. OTHER CURRENT EXPENSES</b>          |                                 |                                       |                               |   |
| 1. Airfare, Inter-Island                  |                                 | 800                                   | 2,700                         |   |
| 2. Insurance                              |                                 | 16,967                                | 2,640                         |   |
| 3. Lease/Rental of Equipment              |                                 | 3,468                                 | 1,758                         |   |
| 4. Lease/Rental of Space                  |                                 | 12,054                                | 9,341                         |   |
| 5. Staff Training                         |                                 | 6,000                                 | 0                             |   |
| 6. Supplies                               |                                 | 5,450                                 | 636                           |   |
| 7. Telecommunication                      |                                 | 4,632                                 | 1,863                         |   |
| 8. Utilities                              |                                 | 5,760                                 | 2,719                         |   |
| 9. Credit Reports                         |                                 | 2,500                                 | 13,250                        |   |
| 10. Contractual/Professional Services     |                                 | 18,500                                | 3,120                         |   |
| 11. Postage                               |                                 | 0                                     | 210                           |   |
| 12. MATCH Savings Funds                   |                                 | 0                                     | 50,000                        | 250,000                                 |
| 13. Consumer and Affordable Housing Loans |                                 | 150,000                               | 100,000                       | 3,500,000                               |
| 14. Loan Guarantee                        |                                 | 0                                     | 0                             | 2,500,000                               |
| 15  |                                 |                                       |                               |   |
| 16  |                                 |                                       |                               |   |
| 17  |                                 |                                       |                               |   |
| 18  |                                 |                                       |                               |   |
| 19  |                                 |                                       |                               |   |
| 20  |                                 |                                       |                               |   |
| <b>TOTAL OTHER CURRENT EXPENSES</b>       |                                 | <b>226,131</b>                        | <b>188,237</b>                | <b>6,250,000</b>                        |
| <b>C. EQUIPMENT PURCHASES</b>             |                                 |                                       |                               |   |
| <b>D. MOTOR VEHICLE PURCHASES</b>         |                                 |                                       |                               |   |
| <b>E. CAPITAL</b>                         | <b>5,000,000</b>                |                                       |                               |   |
| <b>TOTAL (A+B+C+D+E)</b>                  | <b>5,000,000</b>                | <b>355,952</b>                        | <b>272,443</b>                | <b>6,250,000</b>                        |
| <b>SOURCES OF FUNDING</b>                 |                                 | Budget Prepared By:                   |                               |   |
| (a) Total State Funds Requested           | 5,000,000                       | Jeff Gilbreath                        | 808.587.7653                  |   |
| (b) Total Federal Funds Secured           | 355,952                         | Name (Please type or print) Phone     |                               |   |
| (c) Total State Funds Secured             | 272,443                         | <i>Lahela W. Williams</i>             |                               |   |
| (d) Total Private/Other Funds Requested   | 6,250,000                       | 1/17/2020                             |                               |   |
| <b>TOTAL BUDGET</b>                       | <b>11,878,395</b>               | Signature of Authorized Official Date |                               |   |
|   |                                 | Lahela Williams, Executive Director   |                               |   |
|   |                                 | Name and Title (Please type or print) |                               |   |

## BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2020 to June 30, 2021

Applicant: Hawaiian Community Assets, Inc

| FUNDING AMOUNT REQUESTED  |  |               |                       |                    |                                      |              |
|---|--|---------------|-----------------------|--------------------|--------------------------------------|--------------|
| TOTAL PROJECT COST  | ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS |               | STATE FUNDS REQUESTED | OF FUNDS REQUESTED | FUNDING REQUIRED IN SUCCEEDING YEARS |              |
|   | FY: 2018-2019                                | FY: 2019-2020 | FY:2020-2021          | FY:2020-2021       | FY:2021-2022                         | FY:2022-2023 |
| PLANS   |  |               |                       |                    |                                      |              |
| LAND ACQUISITION  |  |               | 3500000               |                    |                                      |              |
| DESIGN  |  |               |                       |                    |                                      |              |
| CONSTRUCTION  |  |               | 1500000               |                    |                                      |              |
| EQUIPMENT   |  |               |                       |                    |                                      |              |
| <b>TOTAL:</b>   | <b>0</b>                                     | <b>0</b>      | <b>5,000,000</b>      | <b>0</b>           | <b>0</b>                             | <b>0</b>     |
| <b>JUSTIFICATION/COMMENTS:</b> HCA is requesting \$5,000,000 in funds to capital a revolving loan fund to provide lines of credit to CORE and Kapilli Like-approved contractors to buy and rehab properties. HCA anticipates using \$3,500,000 of the funds to buy properties, while the remaining \$1,500,000 will be used for construction costs to rehab the properties for sale to ALICE households. Grant funds will be revolved in perpetuity to meet its goal of building/rehabbing 5,000 homes for ALICE by |  |               |                       |                    |                                      |              |

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

Applicant: Hawaiian Community Assets, Inc.

Contracts Total: 4,158,276

|    | <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  | Financial counseling, employment coaching, income supports for Hawaii Island residents | 9/30/19-9/29/21        | Administration for Native Americans                  | US  | 681,812               |
| 2  | AmeriCorps VISTA members   | 4/14/18-4/13/21        | Corporation for National and Community Service       | US  | 1,045,602             |
| 3  | AmeriCorps State members   | 10/1/17-9/30/20        | Hawaii Commission for National and Community Service | State   | 331,418               |
| 4  | Housing counseling, match savings, and affordable housing loans                        | 10/1/19-9/30/21        | Office of Hawaiian Affairs                           | State   | 515,886               |
| 5  | Housing counseling   | 10/1/19-3/31/20        | Department of Housing and Urban Development          | US  | 25,372                |
| 6  | Housing counseling   | 10/1/18-9/30/19        | Department of Housing and Urban Development          | US  | 25,399                |
| 7  | Housing counseling   | 10/1/17-9/30/18        | Department of Housing and Urban Development          | US  | 63,000                |
| 8  | Homeownership education and counseling   | 10/1/19-9/30/20        | County of Kauai                                      | Kauai   | 25,787                |
| 9  | Homeownership education and counseling   | 10/1/18-9/30/19        | County of Kauai                                      | Kauai   | 42,500                |
| 10 | Homeownership education and counseling   | 10/1/17-9/30/18        | County of Kauai                                      | Kauai   | 24,500                |
| 11 | Renter education, financial counseling   | 10/1/18-12/31/19       | City and County Honolulu                             | Honolulu  | 125,000               |
| 12 | Financial counseling, emergency loans  | 10/1/19-9/30/20        | City and County Honolulu                             | Honolulu  | 125,000               |
| 13 | Renter education, financial counseling   | 10/1/17-9/30/18        | City and County Honolulu                             | Honolulu  | 125,000               |
| 14 | Down payment assistance loans  | 10/1/19-9/30/21        | Department of the Treasury                           | US  | 150,000               |

|    |   |                 |   |        |         |
|----|---|-----------------|---|--------|---------|
| 15 | AmeriCorps VISTA and State members                    | 7/1/17-6/30/18  | Office of Community Services                | State  | 90,000  |
| 16 | Hawaii Emergency Loan Program                         | 7/1/18-6/30/19  | Office of Community Services                | State  | 200,000 |
| 17 | Capacity building for affordable housing              | 10/1/19-9/30/21 | Department of Housing and Urban Development | US     | 38,500  |
| 18 | Capacity building for affordable housing              | 10/1/17-9/30/19 | Department of Housing and Urban Development | US     | 38,500  |
| 19 | Housing counseling, match savings, and consumer loans | 8/1/17-7/31/19  | Office of Hawaiian Affairs                  | State  | 470,000 |
| 20 | Business support services                             | 12/1/18-6/30/20 | County of Hawaii                            | Hawaii | 15,000  |
| 21 |   |                 |   |        |         |
| 22 |   |                 |   |        |         |
| 23 |   |                 |   |        |         |
| 24 |   |                 |   |        |         |
| 25 |   |                 |   |        |         |
| 26 |   |                 |   |        |         |
| 27 |   |                 |   |        |         |
| 28 |   |                 |   |        |         |
| 29 |   |                 |   |        |         |
| 30 |   |                 |   |        |         |



January 16, 2020

**RE: Letter of Support – Hawaii State Grant-in-Aid**

Aloha Ms. Williams,

Creative Options Real Estate Corporation (CORE) confirms its support to work with Hawaiian Community Assets to launch the *ALICE Affordable Housing and Jobs Partnership* with the goal of building or rehabilitating 5,000 affordable homes and create or save 1,000 jobs by the end of 2025. In the program's first 12 months, 50 ALICE households will have purchased or rehabilitated an affordable home and 100 at-risk ALICE youth or adults will have secured apprenticeships or jobs in the construction industry.

According to the 2015 Hawaii Housing Demand Study, our State needs 65,000 housing units by 2025 to meet projected demand. 74% of the total needed units (or nearly 50,000 homes) must be affordable for households earning \$75,000 annually or less. At the same time, nearly 1 in 2 Hawaii residents are living in poverty or are considered Asset Limited, Income Constrained, and Employed (ALICE) – one paycheck away from homelessness. With the median single-family home sales price at \$780,000, there are few homes on the market that are affordable for ALICE households which results in these families having to live overcrowded in high-priced rentals, dilapidated and unsafe homes, or on the beach or streets to make ends meet.

CORE is a for-profit corporation, formed in late 2019 that locates older, vacant, and distressed homes which it buys, rehabs and provides to local families and residents of Hawaii. CORE works with owners of real property who are at a place where they need or want to sell their place and use creative finance in order to purchase the homes and then works collaboratively with local architects, engineers, and Kapili Like approved contractors to supply houses to ALICE households at affordable prices.

As a partner in the *ALICE Affordable Housing and Jobs Partnership*, our corporation commits to identifying older, vacant, and distressed properties to buy and rehab with financial support from Hawaii Community Lending, HCA's US Department of Treasury certified loan fund. We will work with Kapili Like-approved contractors and HCA served ALICE households to ensure completion of housing projects with maximum affordability at sales price points ranging from \$500,000 to \$200,000.

Please contact me directly at (808) 292-9881 or at my email address: [manusaito808@gmail.com](mailto:manusaito808@gmail.com), should you have any questions or need more information.

Sincerely

A handwritten signature in black ink, appearing to read 'Mark Manu Saito', with a long horizontal flourish extending to the right.

Mark Manu Saito  
President, and CEO  
CREATIVE OPTIONS REAL ESTATE, Corp



January 15, 2020

**RE: Letter of Support – Hawaii State Grant-in-Aid**

Aloha Ms. Williams,

Kapili Like confirms its support to work with Hawaiian Community Assets to launch the *ALICE Affordable Housing and Jobs Partnership* with the goal of building or rehabilitating 5,000 affordable homes and create or save 1,000 jobs by the end of 2025. In the program's first 12 months, 50 ALICE households will have purchased or rehabilitated an affordable home and 100 at-risk ALICE youth or adults will have secured apprenticeships or jobs in the construction industry.

According to the 2015 Hawaii Housing Demand Study, our State needs 65,000 housing units by 2025 to meet projected demand. 74% of the total needed units (or nearly 50,000 homes) must be affordable for households earning \$75,000 annually or less. At the same time, nearly 1 in 2 Hawaii residents are living in poverty or are considered Asset Limited, Income Constrained, and Employed (ALICE) – one paycheck away from homelessness. With the median single-family home sales price at \$780,000, there are few homes on the market that are affordable for ALICE households which results in these families having to live overcrowded in high-priced rentals, dilapidated and unsafe homes, or on the beach or streets to make ends meet.

Kapili Like is a nonprofit organization that trains community members in the construction trades and coordinates a group of 20+ private contractors committed to building housing that is affordable for ALICE households statewide.

As a partner in the *ALICE Affordable Housing and Jobs Partnership*, our nonprofit commits to coordinating and conducting a Construction Trades Academy that will graduate 100 apprentices within 12 months. In addition, we will work with our Kapili Like-approved contractors to lead construction projects with financial support from Hawaii Community Lending, HCA's US Department of Treasury certified loan fund.

Please contact me directly at (808) 688.4624 or at [ufonoti@kapililike.org](mailto:ufonoti@kapililike.org) should you have any questions or need more information.

Sincerely

R. Uilani Fonoti  
Kapililike, President  
41-859 Kalaniana'ole Hwy  
Waimanalo, Hawaii 96795





## 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;

NOW, THEREFORE, HCA and HCL, in consideration of the mutual benefit hereinafter set forth, hereby agree as follows:

1. HCA agrees to provide:
  - a. HCL borrowers with free, culturally-relevant financial literacy education, housing counseling, and loan application and servicing; and
  - b. In-kind office space, utilities, telecommunications, and program expenses for HCL staff; and
  - c. Accounting and bookkeeping services for HCL.
2. HCL agrees to provide:
  - a. HCA clients with financial products to build/improve credit and secure/sustain housing and economic goals; and
  - b. Services as a financial institution partner to support HCA's mission.
3. HCA and HCL agree to enter into this agreement at no additional cost to either organization.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed the day and year as written below.

Hawaiian Community Assets, Inc.

Date 11/25/2014

By *Kaulani Filimaitu*  
Title Board President

Hawaii Community Lending, Inc.,

Date 11/25/2014

By *Shululu Kohene*  
Title Board President

# Mark Saito

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2221 Kaala Way, Honolulu, Hawaii 96822

Cell: 808-372-9530

Work: (808)292-9881

manusaito808@gmail.com

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## SUMMARY

Results-oriented Construction and Projects Manager who works efficiently and effectively to complete projects on time and within budget. Extremely successful at finding cost-effective solutions to the various challenges that arise during residential and commercial construction. Strong understanding of inspection compliance and building codes. Gifted in reading through blueprints, budgets, estimates and building plans. Professional Site Manager with proven proficiency in OSHA compliance, internal and external communications, crew supervision and cost control. Committed to on-time project completions, cost effective budgeting and superb work quality. Efficient and qualified Site Manager with over 30 years' experience in site supervision. Analytical estimator skilled at predicting construction project duration and managing tight deadlines.

---

## SKILLS

- All levels of carpentry, from rough to finish
  - Concrete estimation, formwork and finish
  - Renovations, building and demolition
  - Superb management skills
  - Identifying building costs
  - Planning and design
  - MS Office proficient
  - Construction equipment certified Forklift.
  - Site management
  - Interpreting blueprints
  - Site safety coordinator
  - Residential construction specialist
  - Project management
  - Construction management
  - Layout of house and lot
  - Organized and detail-oriented
  - Baseline schedules creation
  - Project budgeting
- 

## EXPERIENCE

**Construction Supervisor, 01/9/2019 to 12/13/2019**

**Kauai Habitat for Humanity**

**Stephen Spears, Exec. Director**

Work alongside other Construction Supervisors to install all cabinets & counter tops – formica pre-formed from Home Depot – interior doors and trims, baseboards and all hardware including doorknobs and closet shelving for 17 homes in the Ele'ele subdivision on Kauai. Continue to do (4) new homes, layout and framing.

Continue on with (3) other supervisors to complete 20 more homes in this 11 month assignment in the same Ele'ele subdivision in the Port Allen area of Kauai.

Next project: Hanalei Valley – (2) complete re-roofs, removing old asphalt shingle roofing, install new lumber for purlins, and replace with new metal roofing. Do mold and mildew mitigation, priming, caulking and paint work. Oversee this work and do all the work with the help of an Americorp worker, and the homeowners.

Next project: Anahola Subdivision – Department of Hawaiian Home-Lands – (3) homes for native Hawaiian recipient families, from beginning, installing dust screens; oversee the installation of (3) complete IWS systems for each house. Oversee the foundation and framing up to the subfloors. Supervise and teach through example the families and volunteers to layout and build the walls for

each house, and then stand them up and do all the bracing, plumb and line work and get ready for the roof trusses to be installed. Oversee this work and up to the roof sheathing and the fascia's installed.

Continue with doing the roofing shingle installation, supervising, teaching and doing all the three house roofs. Work with the families, and volunteers to install the windows, wall siding, and roof soffits; get the decks and stairs installed; oversee the plumbing and electrical work and installation; get past rough framing for the installation of the insulation and the drywall. Also get all the exterior of the homes trimmed and painted. Last day on this project, Friday, Dec. 13, 2019.

### **Construction Manager, 09/2018 to 12/2018**

**Ryan Pettit – Kamuela, Hawaii**

I did the "Take off" from the plans for his new house and sent out "RFP's" to all the different trades, material house suppliers and manufacturers. I helped Ryan understand all the different processes involved in building his new custom home in Kamuela.

- Interpreted blueprints and plans and relayed information to team of workers.
- Submitted all project closeout documents in accordance with the contract.
- Directed the general contractor on required mock-up preparation.
- Leveraged trends in customer industries to shape solutions and approaches.
- Facilitated processing of RFI's, submittals and samples among the general contractor, the owner and the owner's consultants.
- Saved money by overseeing cost-effective materials and supplies estimates and measurements.
- Accurately estimated construction costs, yielding a profit to the business.
- Qualified competitive subcontractor bids prior to execution of contracts.

### **Working For, 02/2017 to 05/2017**

**Nan, Inc. – Waikiloa, HI**

- Managed daily work assignments by delegating tasks in order of priority to crew workers.
- Reviewed documentation, including safety materials and implemented work site procedures that met compliance.
- Developed demolition and environmental scope through layout and Supervision.
- Removed debris and other duties as assigned by the manager.
- Accurately read blueprints and repair manuals to identify mechanical problems and fix them.
- Kept supervisor informed of job progress and material requirements
- Reviewed project drawings to perform installation activities according to specifications.
- Mentored junior team members, providing guidance on proper techniques and safety.
- Responsible for promoting safe and clean working environment.

### **Construction Projects Manager, 12/2014 to 01/2017**

**Habitat for Humanity, West Hawaii – Kailua-Kona, HI**

- Supported construction planning, including foundation, carpentry, plastering, painting and fencing.
- Screened, selected and assisted with training new on-boarding employees.
- Acted as the liaison with company safety representatives to promote awareness and understanding of safety protocols.

- Assigned projects and tasks to employees based on their competencies and specialties.
- Accurately provided status information on project progress to the project management.
- Assisted the project manager with bidding new jobs and projects.
- Maintained daily communication with vendors to ensure project was going as planned.
- Increased process improvement initiatives and troubleshoot problems for corrective action to boost functionality and workflow.
- Facilitated processing of RFI's, submittals and samples among the general contractor, the owner and the owner's consultants.
- Interpreted blueprints and plans and relayed information to team of workers.
- Organized and took part in numerous on-site meetings with clientele and subcontractors on a monthly basis.
- Properly maintained all onsite equipment and vehicles for this affiliate.
- Followed through with competent execution of project plans by providing proper tools and equipment to all construction personnel, including guidance and teaching.
- Monitored the safety of all construction activities, making on-site personnel safety the top priority.
- Coordinated training for the construction teams on site-specific requirements, techniques and procedures.
- Led the planning, budgeting and direction of all construction projects.
- Sustained safety protocol and ensured proper, cost-effective and safe handling usage of equipment and materials.
- Maintained quality standards and monitored work for corrective action.
- Obtained notices of completion and compliance certifications from all of the construction administration consultants.
- Accurately estimated construction costs, yielding a lower cost per home.
- Complied with operational standards and OSHA regulations.
- Maintained a safe work environment with zero accidents and lost work days for 3 years.

**Construction Manager, 06/2011 to 07/2012**

**Honolulu Habitat for Humanity – Honolulu, HI**

- Reduced cost by utilizing site resources, schedules, budgets and subcontractors effectively.
- Obtained notices of completion and compliance certifications from all of the construction administration consultants.
- Organized and took part in several on-site meetings with clientele and subcontractors on a monthly basis.
- Maintained daily communication with vendors to ensure project was going as planned.
- Leveraged trends in customer industries to shape solutions and approaches.
- Assigned projects and tasks to employees based on their competencies and specialties.
- Maintained a safe work environment with zero accidents and lost work days for one year.
- Diminished costs, reviewed and qualified competitive subcontractor bids prior to contract execution.
- Carefully coordinated plans and specs using marketing programming standards.
- Monitored the safety of all construction activities, making on-site personnel safety the top priority.
- Performed construction site pre-inspections and coordinated post-construction audits.
- Led the planning, budgeting and direction of all construction projects.
- Efficiently recorded and rejected incorrect deliveries of material to site.

- Maintained quality standards and monitored work for corrective action.
- Supported construction planning, including foundation, carpentry, plastering, painting and fencing.
- Coordinated training for the construction teams on site-specific requirements, techniques and procedures.
- Sustained safety protocol and ensured proper, cost-effective and safe handling usage of equipment and materials.
- Qualified competitive subcontractor bids prior to execution of contracts.
- Completed projects on time and within the allocated budget.
- Interpreted blueprints and plans and relayed information to team of workers.
- Submitted all project closeout documents in accordance with the contract.
- Accurately estimated construction costs, yielding a profit to the business.
- Facilitated processing of RFI's, submittals and samples among the general contractor, the owner and the owner's consultants.

**Project Manager, 08/2010 to 08/2011**

**BSI, Build Systems International, LLC – Honolulu, HI**

- Executed on-time, under-budget project management on complex issues for senior leadership and local/national departments.
- Saved costs by establishing and cultivating vendor relations to resolve site issues.
- Oversaw project details to ensure consistent adherence to legal requirements.
- Managed estimation processes by preparing specialty subcontractor bid packages, material procurement for project management, contract reviews and action list preparation.
- Negotiated contracts with vendors to achieve optimal performance within budget parameters.
- Maximized customer satisfaction through effective operational management in accordance with all quality standards and customer requirements.
- Updated and managed 3 project databases.
- Saved money and oversaw cost-effective vendor and supplier purchases.
- Directed development of project scope, including estimates, budgets and schedules.
- Ensured project deadlines were met by managing and partnering with contractors to monitor performance.
- Facilitated business operations by generating project status reports for corrective action.
- Defined and initiated projects and managed costs, schedule and project performance while ensuring the success of the project.
- Identified the source of issues to plan and initiate the correct courses of action and remediation.
- Obtained all sign-offs and certificates of occupancy.

**Construction Manager, 09/2008 to 05/2010**

**Honolulu Habitat for Humanity – Honolulu, HI**

- Stayed consistent with project schedules and plans for all FFE installations.
- Led and managed resolution of all issues during project construction and commissioning phases.
- Submitted all project closeout documents in accordance with the contract.
- Complied with operational standards and OSHA regulations.
- Led the planning, budgeting and direction of all construction projects.
- Accurately provided status information on project progress to the project management.

- Maintained quality standards and monitored work for corrective action.
- Supported construction planning, including foundation, carpentry, plastering, painting and fencing.
- Assigned projects and tasks to employees based on their competencies and specialties.
- Completed projects on time and within the allocated budget.
- Qualified competitive subcontractor bids prior to execution of contracts.
- Interpreted blueprints and plans and relayed information to team of workers.
- Maintained daily communication with vendors to ensure project was going as planned.
- Sustained safety protocol and ensured proper, cost-effective and safe handling usage of equipment and materials.
- Mitigated risk and coordinated plans and specifications to ensure compliance.
- Monitored the safety of all construction activities, making on-site personnel safety the top priority.
- Obtained notices of completion and compliance certifications from all of the construction administration consultants.
- Eliminated project lags by organizing works-in-progress to ensure compliance and top quality control.
- Efficiently recorded and rejected incorrect deliveries of material to site.
- Carefully coordinated plans and specs using marketing programming standards.
- Organized and took part in several on-site meetings with clientele and subcontractors on a monthly basis.
- Accurately estimated construction costs, yielding a profit to the business.
- Educated general contractor personnel on the quality standards throughout the construction process.
- Diminished costs, reviewed and qualified competitive subcontractor bids prior to contract execution.
- Performed construction site pre-inspections and coordinated post-construction audits.
- Saved money by overseeing cost-effective materials and supplies estimates and measurements.

**Journeyman Lead Carpenter - Layout, 04/2007 to 08/2008**

**Dick Pacific – Honolulu, HI**

- Did the layout for 397 units; 39 floor High-rise tower - "Grand Waikikian" for the Hilton Hawaiian Village. I did the work of 4 men; others were incompetent.
- Reviewed plans via Auto-cad and provided comments on the adequacy of documents and took necessary steps to cure any deficiencies.
- Planned the work and determined appropriate tools and equipment.
- Evaluated plans architectural plans and consulted with clients to gain a deep understanding of project plan and objectives.
- Implemented site safety programs in accordance with contract requirements and applicable regulations.
- Continually cleaned work areas and equipment.
- Removed debris and other duties as assigned by the manager.
- Obtained all sign-offs and certificates of occupancy from the City and County of Honolulu.
- Sent out RFI's to architects via upper management to maintain actual in the field build dimensions to change/alter/update current plans.

- Worked overtime, including evenings and weekends, to respond to emergencies and fix unsafe conditions.
- Established relationships with construction project manager and subcontractors to align priorities, goals and objectives.
- Assisted in management of business operations by maintaining records and files, preparing cost and inventory reports, and ordering supplies.

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### COMPLETED PROJECTS

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- July 2019 – start 3 new homes in Anahola subdivision for families in the DHHL subdivision.; complete through rough-in and ready for insulation and drywall; Kauai Habitat.
- July 2019 Completed 2 new roofs replaced – tear off old asphalt shingles, replace with new corrugated metal roofs. Mold mitigation, new gutters, downspouts and underground drain lines; new sidewalk w/retaining wall; Kauai Habitat.
- Mar. 2019: Completed 17 homes in Anahola; started 4 more; completed June, 2019. Kauai Habitat.
- Jan. 2017: Completed 11 new homes, 4 Critical Home Repairs, and 2 community projects within 3 years for Habitat for Humanity, West Hawaii.
- June, 2012: Completed 2 complete home demo and new home builds within one year.
- Aug., 2010: Completed 12 home subdivision in Anahola on Kauai in 5 months assisting homeowners to build their own homes. Project cost: \$2.16 Million - on budget, ahead of schedule for BSI.
- June, 2010: Completed 5 complete home teardowns and new homes for Honolulu Habitat for Humanity and their partner families. On time and on budget. The last home took 10 weeks from teardown to completion. Complaint by Board of Directors: "Building too fast." They asked me to look for new employment.
- Aug., 2008: Layout 397 units, 39 story High rise; finished on time and below budget \$23 Million. Dick Pacific for Hilton Hawaiian Village.
- Oct., 2004: 45 Homes for Honolulu Habitat for Humanity: \$3.15 Million. On time and below budget. Fred Yamashiro – Menhune Development Company, Waimea, HI.

### PERSONAL REFERENCES

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Xiang Yee, (808)392-2388, Structural Engineer, Honolulu