

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

Legal Name of Requesting Organization or Individual: Db:
Homestead Community Development Corporation (HCDC)

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

The goal of the HCDC Foreclosure Prevention Technical Assistance Program is to deliver information and direct assistance to Hawaii families to cure loan delinquencies through common loan loss mitigations in the lending industry, but not well understood on trust land residential properties. The program goal is to bring parity to families statewide, in accessing successful strategies to avoid foreclosure and remain in their homes.

Amount of Other Funds Available:

State: \$ 0
Federal: \$ 0
County: \$ 0
Private/Other: \$ 25,000

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

\$ 484,000

Unrestricted Assets:

\$ 1,370,097.72

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:

1481 South King Street, Suite 448

City: Honolulu State: HI Zip: 96814

Contact Person for Matters Involving this Application

Name:
Robin Danner

Title:
CEO

Email:
robin@hawaiianhomesteads.org

Phone:
(808)652-0140

Federal Tax ID#:
[REDACTED]

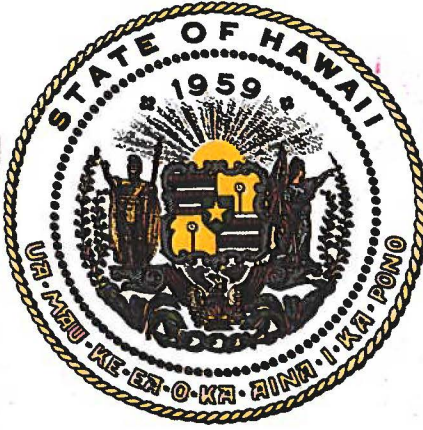
State Tax ID#:
[REDACTED]

Robin Danner
Authorized Signature

Robin Danner
Name and Title

01/13/2020
Date Signed

received
01/13/2020 RC



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

HOMESTEAD COMMUNITY DEVELOPMENT CORPORATION

was incorporated under the laws of Hawaii on 06/05/2009 ; 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 12, 2020

Director of Commerce and Consumer Affairs



**DECLARATION STATEMENT OF
APPLICANTS FOR GRANTS PURSUANT TO
CHAPTER 42F, HAWAII REVISIED STATUTES**

The undersigned authorized representative of the applicant certifies the following:

- 1) The applicant meets and will comply with all of the following standards for the award of grants pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant is awarded;
 - b) Complies with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
 - c) Agrees not to use state funds for entertainment or lobbying activities; and
 - d) Allows the state agency to which funds for the grant were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant.

- 2) If the applicant is an organization, the applicant meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is incorporated under the laws of the State; and
 - b) Has bylaws or policies that describe the manner in which the activities or services for which a grant is awarded shall be conducted or provided.

- 3) If the applicant is a non-profit organization, it meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is determined and designated to be a non-profit organization by the Internal Revenue Service; and
 - b) Has a governing board whose members have no material conflict of interest and serve without compensation.

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

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

Homestead Community Development Corporation (HCDC)

(Typed Name of Individual or Organization)



(Signature)

01/13/2020

(Date)

Robin Puanani Danner

(Typed Name)

Chief Executive Officer

(Title)

Application for Grants

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

I. Certification – Please attach immediately after cover page

1. Certificate of Good Standing (If the Applicant is an Organization)

If the applicant is an organization, the applicant shall submit one (1) copy of a certificate of good standing from the Director of Commerce and Consumer Affairs that is dated no earlier than December 1, 2019.

COG Dated January 12, 2020 Attached.

2. Declaration Statement

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

Declaration Attached.

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](#))

- (1) The name of the requesting organization;
- (2) The public purpose for the grant or subsidy;
- (3) The services to be supported by the grant or subsidy;
- (4) The target group; and
- (5) The cost of the grant or subsidy and the budget. [L 1997, c 190, pt of §3]

GIA program funding is requested by Homestead Community Development Corporation (HCDC) in the amount of \$100,000 for staff, materials and delivery costs, for the public purpose of serving Hawaii families statewide in need of loan loss mitigation services, to avoid a home foreclosure and homelessness. The public purpose of the program will assist families with children to access resources and processes to modify a delinquent loan, to execute loan assumptions and other standard methodologies to stabilize families and children to remain in their homes. This public purpose builds strong communities, reduces blight from vacant homes, and invests in working families through housing stability that impacts the welfare and educational needs of children. Target Group consist of Hawaii citizens residing in homes located on Hawaiian Home Lands in all counties of the State of Hawaii that are under threat of foreclosure due to a loan delinquency caused by a reduction in borrower income.

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;

HCDC is an incorporated Hawaii nonprofit, founded in 2009 to address affordable housing and economic development. HCDC has developed 22 single family homes on Oahu and Kauai, and is in predevelopment on a 3 acre multi-family project in West Oahu, and has developed numerous economic development projects that create jobs in rural areas of the State. For example, HCDC has constructed a certified kitchen serving small micro-enterprise food hub businesses, an enterprise center delivering small business training, and partnered on a solar facility that funds economic development projects for entrepreneurs.

HCDC's background and expertise includes the operation of a community loan fund for ranchers, farmers, micro-business, as well as families to upgrade safe housing, bedroom additions, and other consumer purposes. Its loan fund delivers financial literacy, family budgeting, and in late 2019, HCDC has logged 16 families within a 2-month period, requesting assistance in the area of foreclosure prevention. The State of Hawaii, DHHL reports over 200 families are currently in a loan delinquency situation, which the HCDC program will be directed at assisting.

HCDC is an expert on Hawaiian Home Land communities and residents, wherein over 35,000 family members reside, native Hawaiian and non-Hawaiian citizens, family members from every walk of life.

HCDC is governed by a 5-member board of commissioners, and a 5-member elder council, with seats dedicated to Kauai, Oahu, Maui, Molokai and Hawaii Island. It is a 11-year old, mature nonprofit, with offices on Oahu, Kauai and Maui, and is led by an experienced CEO.

2. The goals and objectives related to the request;

The goal of the HCDC Foreclosure Prevention Technical Assistance Program is to deliver information and direct assistance to Hawaii families to cure loan delinquencies through common loan loss mitigations in the lending industry, but not well understood on trust land residential properties. The program goal is to bring parity to families statewide, in accessing successful strategies to avoid foreclosure and remain in their homes.

Objectives include 1) the dedication of staff resources to the program; 2) development of a Foreclosure Prevention Guide for Hawaiian Home Land properties; 3) delivery of Foreclosure Prevention seminars on Oahu, Kauai, Maui, Molokai and Hawaii Island; 4) provision of one-on-one technical assistance to families to successfully achieve a financial assessment to access loan loss mitigations including a loan modification or loan assumption, and other mitigations relevant to each family.

3. The public purpose and need to be served;

GIA program funding is requested by Homestead Community Development Corporation (HCDC) in the amount of \$100,000 for staff, materials and delivery costs, for the public purpose of serving Hawaii families statewide in need of loan loss mitigation services, to avoid a home foreclosure and homelessness. The public purpose of the program will assist families with children to access resources and processes to modify a delinquent loan, to execute loan assumptions and other standard methodologies to stabilize families and children to remain in their homes. This public purpose builds strong communities, reduces blight from vacant homes, and invests in working families through housing stability that impacts the welfare and educational needs of children.

According to State of Hawaii DHHL reports, more than 200 families statewide have a loan delinquency that may be assisted by this program.

4. Describe the target population to be served; and

Hawaii citizens residing in homes located on Hawaiian Home Lands in all counties of the State of Hawaii that are under threat of foreclosure due to a loan delinquency caused by a reduction in borrower income.

5. Describe the geographic coverage.

HCDC will serve any family or individual located in any county in the State residing in 45 different homestead communities, mostly in rural areas of the State.

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 scope of work for HCDC is to implement its Foreclosure Prevention Technical Assistance Program with GIA funding for one year, to add a financial analyst assistant, to develop and print a Foreclosure Prevention Guide, to deliver Foreclosure Prevention Seminars in all counties and produce financial assessments and technical assistance to families in need of a loan loss mitigation to recover from a delinquent loan and threat of foreclosure.

Tasks include:

- a. Hire 1 FTE to add to HCDC's existing team – completed by HCDC CEO
 - b. Coordinate subject matter experts in the banking and legal community to contribute to the HCDC Foreclosure Prevention Guide (DHHL has declined partnership or participation in the Guide) – completed by HCDC Program Manager
 - c. Finalize and produce the Guide – completed by HCDC Program Manager and Financial Analyst Assistant
 - d. Schedule and Deliver at least 10 Foreclosure Prevention Seminars statewide – completed by HCDC Program Manager, Financial Analyst Assistant and CEO
 - e. Respond to requests for foreclosure prevention technical assistance and enroll in HCDC services by Intake Form and subsequent financial data, conduct thorough financial analysis and one-on-one sessions to ascertain relevant loan loss mitigations that match loan delinquency circumstances – completed by HCDC CEO, Program Manager, Financial Analysts and Financial Analyst Assistant
 - f. Develop and maintain client database and produce comprehensive demographic data reports to measure impact of the program – completed by HCDC Program Manager and Financial Analyst Assistant
 - g. Institutionalize program into national funding streams to continue program beyond GIA initial funding – HCDC CEO
2. Provide a projected annual timeline for accomplishing the results or outcomes of the service;

Month 1 – Financial Analyst Assistant position added

Month 2 – Production of Foreclosure Prevention Guide

Month 2 – Schedule statewide Foreclosure Prevention Seminars

Month 3 to Month 12 – Accept increased enrollment of families in need of loan loss mitigation services, which includes financial analysis and assessments.

Month 6 – Issue semi-annual demographic impact report

Month 10 – Leverage GIA initially funded program to national funding sources

Month 12 – Issue semi-annual demographic impact report

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

HCDC utilizes data analysis software that captures specific impact indicators by scope of work, tasks and client progress. In addition, HCDC utilizes survey tools at every aspect of client interaction to measure satisfaction and results. Results from the HCDC data analysis software and survey system produces monthly reports for senior management review and oversight of quality control and to evaluate improvements or adjustments to program delivery.

4. List the measure(s) of effectiveness that will be reported to the State agency through which grant funds are appropriated (the expending agency). The measure(s) will provide a standard and objective way for the State to assess the program's achievement or accomplishment. Please note that if the level of appropriation differs from the amount included in this application that the measure(s) of effectiveness will need to be updated and transmitted to the expending agency.

Measure 1 – Financial Analyst Assistant hired or contracted

Measure 2 – Foreclosure Prevention Guide produced at least 200 copies

Measure 3 – At least 10 Foreclosure Prevention Seminars held statewide

Measure 4 – At least 150 clients/family members engage in HCDC program

Measure 5 – 2 Semi-annual impact reports are produced

Measure 6 – Non-state funding sources are achieved for follow on years

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 = \$25,000
Quarter 2 = \$25,000
Quarter 3 = \$25,000
Quarter 5 = \$25,000
Total Grant = \$100,000
3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2021.

HCDC will contribute its own unrestricted funding for the fiscal year 2021, and existing financial analysts to successfully deliver the program.

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.

N/A

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.

HCDC has never received a Grants in Aid award. Report Attached.

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

\$193,283 consisting primarily of cash and accounts receivables.

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.

HCDC is an incorporated Hawaii nonprofit, founded in 2009 to address affordable housing and economic development on or near Hawaiian Home Lands. As such, for 11 years, it has operated programming in building affordable homes, building community facilities that create jobs, and delivering direct technical assistance to entrepreneurs and families in homestead areas to strengthen financial capacity and business and family prosperity. HCDC is a community development financial institution, funded by the U.S. Treasury to deliver loans and financial services to residents of homestead communities statewide.

HCDC is one of the only statewide community development nonprofits governed entirely by individuals that live on or are awaiting a homestead award with a mission that requires a specific and deep expertise on the tenets of the Hawaiian Homes Commission Act of 1920, administered by the State of Hawaii. As a subject matter expert on trust lands, but also on finance and loan funds, housing development and financial services, HCDC is uniquely qualified with 11 years of

direct and indirect experience, to successfully deliver a Foreclosure Prevention Technical Assistance Program.

Moreover, HCDC is led by a CEO with 28 years of community development services, direct lending in consumer, commercial and mortgage loans, investment capital in public and private finance, as well as federal land trust law and affordable housing and commercial property development.

HCDC also has on staff, two Program Managers with 8 years of private sector investment finance and corporate retail management experience, one with a masters degree in business administration.

In the last 3 years, HCDC has been awarded government grants to provide technical assistance to small and micro business entrepreneurs and agricultural related family businesses, and to provide financial literacy services to families. In the last 3 years, HCDC has been awarded private foundation and agency funds to deliver services to build rural economies in Hawaii, and in 2019, HCDC was awarded \$300,000 in federal and private capital for its homestead loan fund.

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.

HCDC maintains 3 physical offices in the State of Hawaii, located on the island of Oahu, Maui and Kauai. These facilities were chosen based on the underserved areas of Kauai and Maui in the major field of financial literacy related services, but also due to high concentrations of families living on homestead lands. These office facilities are important to the access of families to HCDC services, and in particular, the Foreclosure Prevention Technical Assistance Program proposed for GIA funding.

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.

The HCDC Foreclosure Prevention Technical Assistance Program will be housed within the HCDC Loan Fund Division, led by a Program Manager with oversight by the HCDC CEO. This division currently maintains an FTE of 3.50, responsible for HCDC technical assistance programming, loan origination and servicing and related training functions. This GIA proposal would increase staffing by 1 FTE to 4.50 to enable HCDC to add a fully functioning Foreclosure Prevention Technical Assistance Program.

In addition, HCDC maintains physical offices that ensure its capacity to be near its target population and deliver excellent services.

This GIA proposal will add a Financial Analyst Assistant to the existing HCDC Loan Fund Division team, which will require at least 1 year of mortgage origination lending experience and/or 1 year of mortgage loan servicing experience or other relevant experience. The Financial Analyst Assistant will support HCDC existing Financial Analysts with experience and knowledge in applicable foreclosure prevention techniques, regulations and laws.

HCDC, as an 11-year old Hawaii nonprofit, with a total of 8 FTE. It has audited financial statements, a sophisticated accounting system based on multiple funding sources and projects, which requires an excellent management structure, with experienced leadership. HCDC has excellent policies and procedures in place, which includes staff development and training. As a community development financial institution funded by the U.S. Treasury CDFI Program, HCDC maintains a robust year-round training program to ensure its human resources have access to local and national trends in finance and new technologies in the industry.

2. Organization Chart

HCDC Organizational Chart Attached.

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.

1. CEO - \$75,000 to \$85,000
2. Program Manager - \$40,000 to \$65,000
3. Program Assistant - \$30,000 to \$42,000

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.

N/A

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.

N/A

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.

N/A

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:

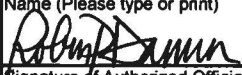
- (a) Received by the applicant for fiscal year 2020-21, but
- (b) Not received by the applicant thereafter.

HCDC requests a one-year funding award at \$100,000 to launch and solidify its Foreclosure Prevention Technical Assistance Program. These services are a favorite of many national and federal funding sources, which score well once a program is in operation for at least a year. In addition, HCDC will direct its own unrestricted program income in follow on years, once the GIA funding creates the foundational program.

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2020 to June 30, 2021

Applicant: _____

BUDGET CATEGORIES	Total State Funds Requested (a)	Total Federal Funds Requested (b)	Total County Funds Requested (c)	Total Private/Other Funds Requested (d)
A. PERSONNEL COST				
1. Salaries	36,500			
2. Payroll Taxes & Assessments	4,200			
3. Fringe Benefits	7,300			
TOTAL PERSONNEL COST	48,000			
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island	12,200			
2. Insurance				
3. Lease/Rental of Equipment				
4. Lease/Rental of Space	6,000			
5. Staff Training	1,500			
6. Supplies	4,500			
7. Telecommunication	5,000			
8. Utilities	4,800			
9. Printing & Curriculum	3,000			
10. Subject Matter Consultants	15,000			
11				
12				
13				
14				
15				
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17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES	52,000			
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL				
TOTAL (A+B+C+D+E)	100,000			
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	100,000	Robin Danner	808-652-0140	
(b) Total Federal Funds Requested		Name (Please type or print)	Phone	
(c) Total County Funds Requested			01/13/2020	
(d) Total Private/Other Funds Requested		Signature of Authorized Official	Date	
TOTAL BUDGET	100,000	Robin Danner, CEO		
		Name and Title (Please type or print)		

BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2020 to June 30, 2021

Applicant: _____ HCDC _____

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						
DESIGN						
CONSTRUCTION						
EQUIPMENT						
TOTAL:						
JUSTIFICATION/COMMENTS: n/a						

GOVERNMENT CONTRACTS, GRANTS, AND / OR GRANTS IN AID

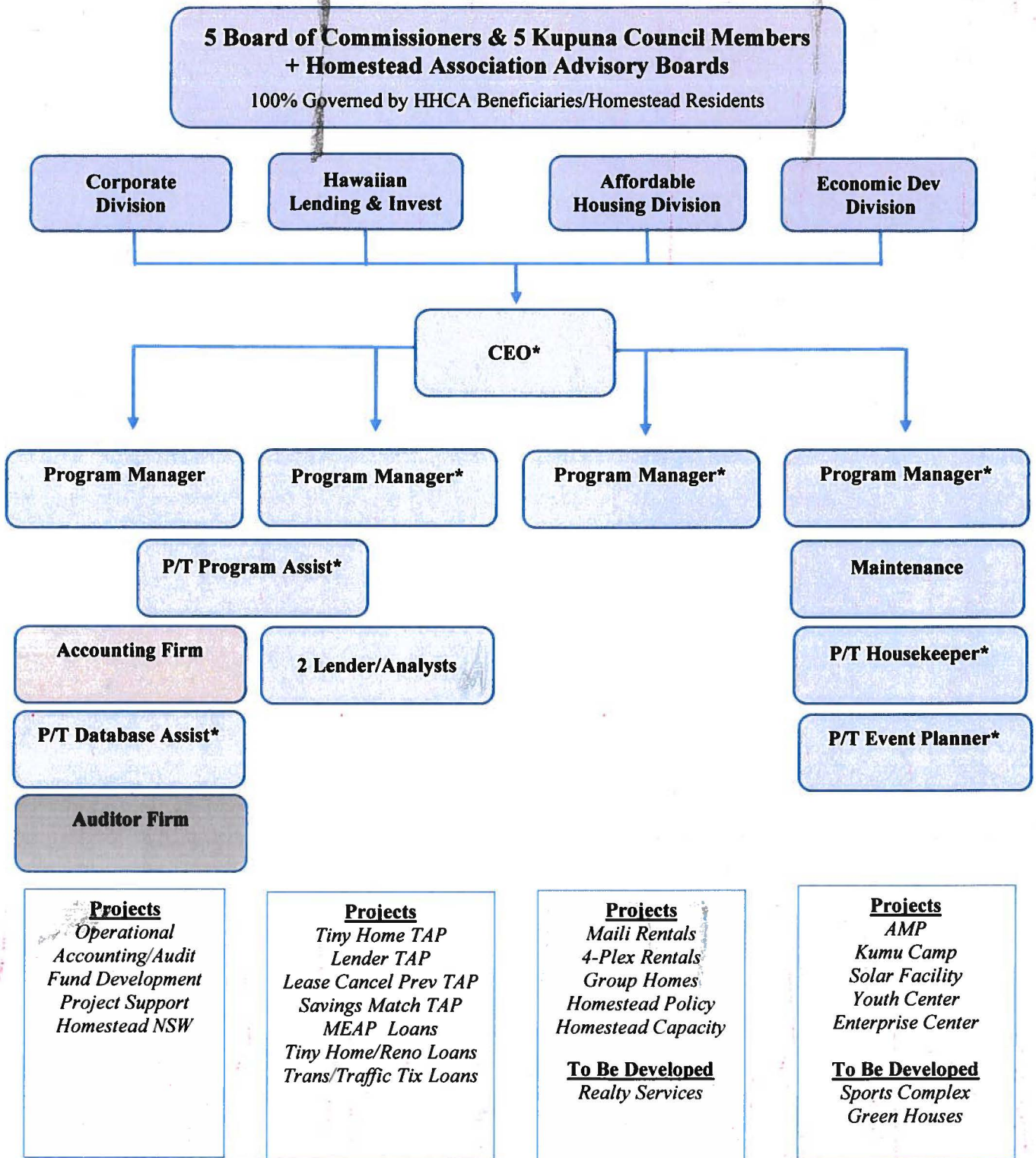
Apemstead Community Development Corporation

Contracts Total: 780,000

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S. / State / Haw / Hon / Kau / Mau)	CONTRACT VALUE
1	CDFI Homestead Loan Fund	12/19 - 12/20	CDFI Fund	U.S.	150,000
2	Deliver Financial Services	10/19 - 9/21	OHA	State	484,000
3	Deliver Farming Finance Capacity Svcs	07/19 - 06/20	Econ Development	County Kauai	18,000
4	Deliver Tiny Home Assistance	07/18 - 06/19	Housing	County Kauai	32,000
5	Deliver Micro Enterprise Assistance	07/17-0618	Housing	County Kauai	96,000
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HCDC Human Resources & Program Organizational Chart



Gray = Specialty Firms