

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

FRIENDS OF THE LIBRARY OF HAWAII

was incorporated under the laws of Hawaii on 06/24/1879 ; 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 14, 2022

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:

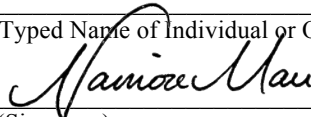
- 1) The applicant meets and will comply with all of the following standards for the award of grants pursuant to Section 42F-103, Hawai'i Revised Statutes:
 - a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide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

Friends of the Library of Hawai'i

(Typed Name of Individual or Organization)


(Signature)

January 21, 2022
(Date)

Nainoa Mau
(Typed Name)

Executive Director
(Title)



January 21, 2022

Statement of Public Purpose pursuant to Section 42F-102, Hawai'i Revised Statutes.

Dear Hawai'i State Legislators,

Friends of the Library of Hawai'i (FLH) submits the attached application for a FY2023 Grant-In-Aid from the Hawai'i State Legislature for the purpose of purchasing a facility for our non-profit operations. FLH is a 501(c)(3) charitable organization formed in 1879 for educational purposes to promote literacy and the extension of public library programs and services for the people of Hawai'i. Recognized in statute as the non-profit partner of Hawai'i's public library system, Friends of the Library of Hawai'i (FLH) is the fiscal agent for library grants, sponsorships, and for securing and administering private and government funding for special library enhancement projects. FLH is a statewide organization, providing funds for programs at all fifty-one (51) public library branches and overseeing a network of forty-three (43) Affiliate Friends groups at branches across the state.

A large facility in a central location is necessary where donors drop off, and volunteers work to process, over 750,000 donations of books, media, and art each year. The donated material is sold through book sales and other channels, re-donated, or recycled. Any unusable material is discarded at a cost to FLH. The funds raised go toward providing for non-state-budget items such as reading program funding, branch discretionary funds, funding for librarian professional development and continuing education - bringing together all public library staff for institute days and funding smaller training sessions. The beneficiaries of our services and funding are members of our community who have access to free public library services. Of the 1.46 million people in the state, more than 900,000 residents have a public library card.

FLH has secured nearly 70% of the funds necessary but the pandemic has diverted much private funding to the immediate pandemic response. The facility was purchased with the help of a bridge-loan as the capital campaign continues.

Find out more about our organization and what we do on our website: www.FLHhawaii.org.

Sincerely,

Nainoa Mau
Executive Director

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, 2021.

2. Declaration Statement

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

3. Public Purpose

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

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;

Friends of the Library of Hawai'i (FLH) was organized in 1879 to support and promote the creation of a public library in Hawai'i. Over the last 143 years, FLH has provided and secured millions of dollars of support for the extension of public library services of the Hawai'i State Public Library System (HSPLS) and for essential programs such as the annual summer reading programs to boost reading by individuals and families.

Today, FLH supports the entire fifty-one branch library system, providing program funding and discretionary funds across all branches and promoting a network of local support. FLH also provides funding for librarian professional development and continuing education, bringing together all public librarians for institute days and funding smaller training sessions.

FLH funding does not supplant state funds and state responsibilities to provide for collections, personnel, and facilities. FLH funding augments the budget to provide interactive and educational programming for the public and continuing education/professional development for library staff. In its 143-year history, FLH has provided millions of dollars in funding to Hawai'i's state library system.

Recognized in statute as the non-profit partner of Hawai'i's public library system, FLH is the fiscal agent for library grants, sponsorships, and for securing and administering private and government funding for special library enhancement projects. FLH works closely with HSPLS administration and community leaders to advance the development and continued viability of our public libraries. The Na'alehu Public Library branch, the southernmost library in the United States, re-opened in November 2021 after a two-year renovation. The renovation doubled the size of the previous library. This project was made possible through a United States Department of Agriculture grant secured by FLH. The library system is currently upgrading networks and connectivity to improve their digital services. Federal funding for these upgrades was matched by the Harry & Jeanette Weinberg Foundation funds secured by FLH.

2. The goals and objectives related to the request;

In 2015, the FLH home for more than twenty years at 690 Pohukaina Street in Kaka'ako, was slated for redevelopment, and the library system and FLH were forced to move. Since 2015, FLH paid over \$70,000 per year in rent for 8,000SF of space in Halawa. FLH had been expending an increasingly larger portion of its revenue toward rent while other overhead costs had remained relatively stable. A strategic objective of the FLH Board of Directors is to increase levels of funding for library programs and support by reducing rent expenses. With a lease expiration looming and shortages in industrial warehouse space on O'ahu, it was decided that securing a permanent facility, funded by a capital campaign, was necessary for the sustainability of the organization and its long-term support for Hawai'i's public libraries.

In September 2020, FLH purchased a facility in Honolulu to permanently house the operations of the organization. Over half of the funds were raised for this project prior to COVID and a three-year bridge loan was secured to accomplish the purchase. FLH continues its capital campaign to raise the final \$955,450 needed to fully fund this project. With the facility funded, FLH will be able to provide more support to Hawai'i's public libraries.

The original timeframe for this project was December 2018 to December 2020, but the end date was extended to December 2023 due to the COVID-19 pandemic. FLH had projected it would raise a majority of the funds needed for the project through a capital

campaign prior to closing on the facility. Over half of the funding necessary for the purchase was raised prior to COVID. Understandably, Foundations turned their attention and resources to health and human services issues or closed their grant capabilities altogether.

3. The public purpose and need to be served;

This request is to secure funding for FLH's permanent facility to accommodate the functions of the organization: processing of book donations, storage of books for sale, and offices. Prior to 2020, the organization had moved twice in the prior five years. Short-term leases were not efficient for establishing a presence for the organization and the constant search for space was a distraction from overall productivity.

The 11,747SF Sumner Street property increased the amount of space the organization has by close to 50% (an additional 5,613SF in stated square footage). Up to 150 pallets of material (200,000 books and media) are housed in the warehouse and more than 400 pallets of material (750,000 books and media) are processed through the warehouse each year. Seventy-five year-round volunteers, most of whom are seniors, sort and price the donated books and media for sale. The additional space allows FLH to cycle more material to our community and generate more funding for the libraries. The central location increases accessibility to new volunteers and the count of 75 year-round volunteers is expected to increase. Being close to a shopping hub in Iwilei (Costco, Home Depot, Lowes, Dole Cannery), near the downtown Honolulu district and in close proximity to a future rail stop, the warehouse is much more accessible for donors and volunteers.

Overall, the new property dramatically increased the amount of warehouse space, made the organization more accessible at its central location, stabilized the organization, and eliminated facility rental costs. The stability of place has allowed the organization to focus on increasing retail outlets which will put more affordable books into the hands of our community and provide more funding for free, public library services. Friends of the Library of Hawai'i is first and foremost the non-profit partner of the Hawai'i State Public Library System. FLH takes material that is no longer useful to the system and monetizes it. The funds raised are then returned to the system for programs and projects not covered by the state budget.

Much more than just a support organization for the public libraries, FLH focuses on creating a literate and educated populace. Besides FLH investment in library programs, FLH book sales provide literature, music, and educational materials to the community at affordable prices.

FLH is a green and environmentally friendly organization. The hundreds of thousands of books we receive each year are re-used, recycled, or re-purposed. Excess material is provided to other non-profit organizations, i.e. schools, prisons, and charitable concerns. Material that cannot be re-used or recycled is disposed of at a cost to FLH.

As stated by State Librarian Stacy Aldrich in her letter of support for this project, “An investment in a permanent location owned by FLH is an investment in the future of public library programming and community growth in Hawai'i.”

4. Describe the target population to be served; and

Through its support of the Hawai'i State Public Library System (HSPLS), FLH funding serves the entire population of Hawai'i, from keiki to kupuna. Of the 1.46 million people in the state, more than 900,000 residents have a public library card. Approximately 20,000 children and adults participate in the FLH funded reading programs each year. Most of FLH program support goes to youth programs that encourage a love of reading and engage young minds through live theatre, science, music, financial education, and many other types of literacy programs. Exciting new programs are constantly sought to ensure HSPLS is proactive in challenging its youngest audience and their 'ohana. The mission of our public libraries is lifelong learning.

Hawai'i's public libraries serve all communities, including many in need. The United States Department of Agriculture (USDA) Rural Development Community Program identified nine of Hawai'i's public libraries as rural, serving populations of under 20,000 and with median income less than \$45,000, with 10.8% living in poverty.

The Bill and Melinda Gates Foundation, using criteria based on census data and poverty levels, determined that 43 of the 51 HSPLS branches serving populations most in need and were vulnerable to having their technology services become obsolete. FLH secured a grant for upgrading computer services and technology for those forty-three libraries, bringing over 700 new computers into the branches.

While a majority of Hawai'i's population has access to the internet, there still exists a digital divide regarding download speeds. In 2021, FLH secured a grant from the Weinberg Foundation that helped to leverage Federal e-rate funds to upgrade the networks and connections at HSPLS, dramatically increasing broadband connectivity and download speeds. Public libraries provide a bridge for community access to information on the internet. FLH has also partnered with HSPLS on a second \$100,000 grant addressing digital literacy and workforce innovation from the National Governor's Association (NGA). This NGA Workforce Innovation Grant (WIN) will help the State of Hawai'i develop a plan to close the digital skill gaps in our workforce. This grant along with many other digital literacy initiatives and services at the public libraries puts HSPLS at the forefront of bridging the digital divide for Hawai'i's communities.

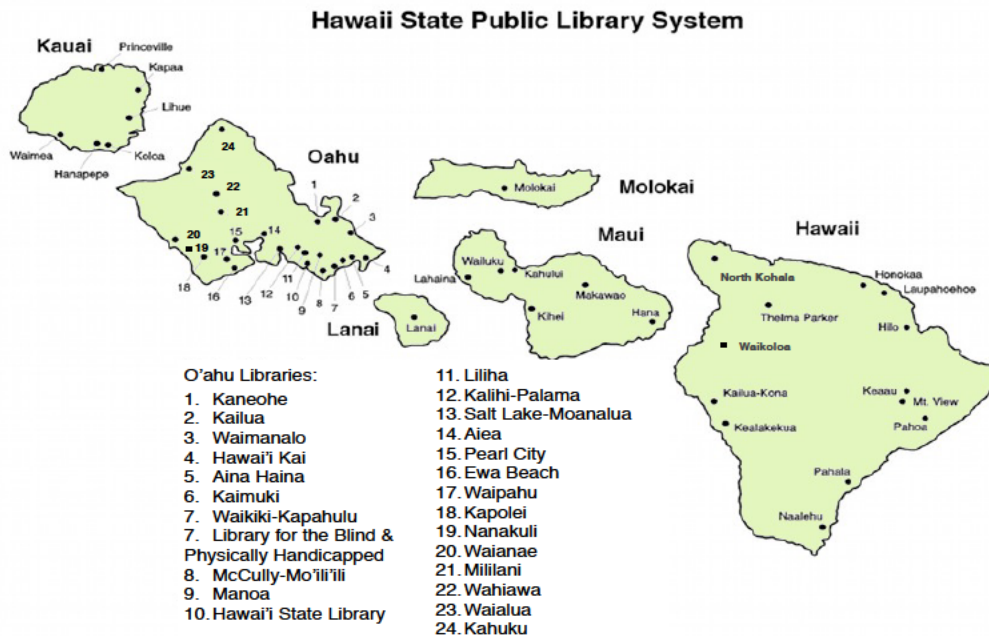
A Pew survey found that libraries are “visited most by adults in low-income households and least by adults in high-income households.” The survey also revealed that, “however people are using libraries today—be it to read, research, or surf the internet—these much-loved institutions remain an important fixture in communities across the country.”

FLH provides support, promotion, and advocacy for public libraries and the services they provide. Public libraries offer free access to information and skills enhancement regardless of age or socioeconomic status. Library programs assist patrons with computer literacy. Library branches have adaptive spaces and resources for those with disabilities. They welcome new immigrants and their families and provide information about how to connect with their new neighborhood. Librarians are partners with families in their child's development and exploration.

5. Describe the geographic coverage.

FLH functions support all fifty-one public library branches across the state. Though our organization is based on O'ahu, the proceeds from our sales and fundraisers fund programs at every library branch. Training and continuing education funding benefits the entire statewide library system staff. The FLH Affiliate network covers 43 of the 51 branch libraries across the state.

In addition to the libraries, our community on the island of O'ahu directly benefits from our processing of material, where we are the primary clearinghouse for used books and media. Through our support of local Friends groups and through our programming and librarian support, FLH supports residents across the state. We donate excess material to groups on O'ahu and to the neighbor islands and beyond, with 35,000 books shipped annually to promote libraries and literacy to our island neighbors in the South Pacific.



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;

FLH needed a permanent location for its operations. Working with a board committee and a certified commercial realtor, a building meeting the criteria necessary was identified in a warehouse complex at 501 Sumner Street, Honolulu. In September 2020, FLH purchased the unit. Some renovation and remediation are still needed. The organization is awaiting permit approval to move forward with these renovations.

The original timeframe for this project was December 2018 to December 2020, but the end date was extended to December 2023 due to the COVID-19 pandemic. FLH had projected it would raise a majority of the funds needed for the project through a capital campaign prior to closing on the facility. Over half of the funding necessary for the purchase was raised prior to COVID-19. Understandably, foundations turned their attention and resources to health and human services issues or closed their grant capabilities altogether.

The onset of the pandemic in the middle of the campaign has decreased the amount of funding currently available for capital projects outside of the health and human services sector.

FLH secured a 3-year bridge loan to purchase the property. FLH intends to continue fundraising to pay off this loan by 2023. As FLH settled in to the new warehouse location, the organization took advantage of an opportunity to open a pop-up bookstore at Ward Village. The store has become longer-term and has replaced fundraising events that could not happen due to the pandemic. The new warehouse location, just a few miles from the store, has made operating the store much more efficient. FLH has also seen an increase in the number of volunteer applications, but the ongoing pandemic has caused ebbs and flows in volunteer availability.

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

In Hawai'i, 900,000 residents have a public library card. FLH supports and promotes Hawai'i's 51 public libraries.

FLH tracks volunteer hours and donation totals. With the new facility location, we are comparing pre- and post-relocation data. Most of our volunteers are seniors who support and frequent public libraries. Sorting books and media is stimulating work and volunteers look forward to seeing what "treasures" they'll find in the donations.

A big part of volunteering with FLH is keeping active and engaged, socializing, and sharing information. We have already seen real growth in both volunteer hours and donations at our new location.

With the elimination of rental expenses, FLH's target is to increase its level of support for Hawai'i's public libraries by at least 20%. To temporarily replace FLH's largest fundraiser, the Annual Book Sale at McKinley High School, FLH secured an underutilized space in Ward Village to open a bookstore in 2021. FLH moved to a smaller space in Ward Village in October and the store will remain there until (at least) July 2022. New on-line strategies were also implemented to augment book sales. With an on-line presence, FLH has the flexibility to operate in a COVID environment and allow customers to browse remotely. The new facility allowed for expansion of the on-line sales as it provided dedicated space for that separate inventory. FLH continues to target a future increase of 20% in support for HSPLS. These pivots allowed the organization to fully fund the HSPLS budget request for FY2022.

Through our support of the Hawai'i State Public Library System, FLH programming and funding serves all members of our Hawai'i community statewide, from keiki to kupuna. Library services are provided equally for all income levels, all ages, with access and services for patrons with disabilities. Many of the homeless population utilize the public library for computer access, a place to read, and as a safe shelter during the day.

FLH supports and advocates for all fifty-one public library branches across the state. Though our organization is based on O'ahu, the proceeds from our sales and fundraisers fund programs at every library branch. The FLH Affiliate network (local friends groups) covers 43 of the 51 branch libraries across the state.

FLH is the primary clearinghouse for used books and media on O'ahu, and our book sales and events reach the residents of O'ahu. FLH collects discarded books and materials from O'ahu's 25 public libraries and large donations of material from individuals and organizations across the island.

The outcomes expected are:

- FLH will have a permanent, renovated facility to house its operations
- FLH will have a convenient, central location attracting more volunteers and materials donations (10% increase)
- FLH will have an energy-efficient facility (energy savings of 10%)
- FLH will pay off its bridge loan (for purchase of facility)
- FLH will increase its funding for the Hawai'i State Public Library System (20% increase)

The timeline for this project:

- | | |
|----------------|---|
| Ongoing | Capital campaign to secure full funding for project |
| February 2022 | Secure all necessary permits to complete renovation |
| July 2022 | Complete remediation and renovation |
| September 2023 | Pay off bridge loan |

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

The facilities committee of the FLH Board of Directors hired architect HK Pae to develop plans for the renovation and has secured a general contractor. Renovation items include: buildout offices, conference/lunch room, an artwork storage area, electrical work, and small remediation as a result of the building inspection.

FLH was selected to join the cohort program with EmPOWER Hawai'i to ensure the warehouse space is energy efficient. Hawai'i Energy is working with FLH to identify opportunities for energy-saving projects to lower monthly energy costs. The collaboration with EmPower will include equipment discounts, rebates, and technical assistance through July 2022. A focus of the project is making the facility comfortable and safe for volunteers and staff. Expected savings on energy costs is at least 10% annually.

Adjustments were made to the renovation budget due to increased costs of goods as a result of COVID and equipment suggested by EmPower technicians. Time estimate for completion of the renovation is 2-3 months and is expected to be completed by July 2022.

FLH tracks volunteer hours and donation totals. With the new facility location, we are comparing pre- and post-relocation data. Most of our volunteers are seniors who support and frequent public libraries. Sorting books and media is stimulating work and volunteers look forward to seeing what "treasures" they'll find in the donations. A big part of volunteering with FLH is keeping active and engaged, socializing, and sharing information. We have already seen real growth in both volunteer hours and donations at our new location.

With rental costs removed, operating expenses reduced, and building funds secured, FLH will be able to increase its donations to the Hawai'i State Public Library System by at least 20%.

The metrics used for evaluation will be:

- Secure funding for bridge loan (due 2023)
- Secure permits for renovation and remediation of the facility (early 2022)
- Complete renovation and remediation by July 2022
- Increase number of volunteers and donations by at least 10%
- EmPower cohort program to lower monthly energy costs by at least 10%
- Increase FLH funding to HSPLS by 20%

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.

- Funding secured for bridge loan (due 2023)
- Permits secured for renovation and remediation of the facility (early 2022)
- Renovation and remediation completed by July 2022
- Number of volunteers and donations have increased by at least 10%
- Monthly energy costs are lowered by at least 10% thanks to EmPower cohort program recommendations
- FLH funding to HSPLS increased by 20%

Overall, FLH will be able to devote more of the funds raised toward our mission of support for the Hawai'i State Public Library System.

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 (Attached)
 - b. Personnel salaries and wages (Not Applicable)
 - c. Equipment and motor vehicles (Not Applicable)
 - d. Capital project details (Attached)
 - e. Government contracts, grants, and grants in aid (Attached)

2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2023.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$750,000				

3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2023.

FLH has allocated a significant amount of its own funds to this capital campaign. FLH continues to approach local foundations, banks, and individual donors. Potential donors include:

- Bank of Hawai'i Charitable Foundation
- Alexander & Baldwin
- Freeman Foundation

- Honolulu City & County Grant-in-Aid
- Central Pacific Bank Foundation
- First Hawaiian Bank Foundation
- HEI Charitable Foundation
- Hawai'i Community Foundation
- James and Abigail Campbell Foundation
- Hung Wo and Elizabeth Lau Ching Foundation
- Individuals

4. The applicant shall provide a listing of all state and federal tax credits it has been granted within the prior three years. Additionally, the applicant shall provide a listing of all state and federal tax credits they have applied for or anticipate applying for pertaining to any capital project, if applicable.

Not Applicable.

5. The applicant shall provide a listing of all federal, state, and county government contracts, grants, and grants in aid it has been granted within the prior three years and will be receiving for fiscal year 2023 for program funding.

State of Hawai'i Grant-in-Aid	6-30-2020	\$750,000.00
City & County of Honolulu Grant-in-Aid	9-30-2021	\$ 43,734.00

6. The applicant shall provide the balance of its unrestricted current assets as of December 31, 2021.

FLH Unrestricted Net Assets to December 31, 2021

Undesignated Operating	\$ 510,004
Board Designated Endowment*	<u>\$ 136,297</u>
Total Unrestricted Net Assets	\$ 646,301

*Board restricted 4% of Endowment for operations annually

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.

FLH staff and volunteers have become masters at the logistics of inventory, marketing, storing hundreds of pallets of materials, and moving. Unable to hold its annual book sale for the past two years due to the COVID pandemic, FLH migrated to an on-line system for selling books and materials. Previously, FLH had only sold some of its more expensive books on-line through Amazon. Having to be innovative in how to move merchandise and generate profits for the organization was second nature to the staff and volunteers at FLH. Staff initiated the project by securing the proper software and hardware to list inventory on-line. Currently, there are over 25,000 titles on-line. Artwork, which continues to be donated to the organization, was also added to the on-line sale.

Having to relocate two times in the past five years offered experience for staff and volunteers. Relocations meant moving more than 8,000 sf of inventory, supplies, shelving, and offices. Meetings with volunteers involved open discussion, flow charts, and workload diagrams. This same strategy was implemented to articulate a plan to move to the new warehouse facility. Increased square footage and tall ceilings allows for two tier storage involving a forklift. An FLH staff member is licensed to use a forklift, so this transition was easily accomplished.

FLH uses a continuous improvement model, so all new strategies are carefully planned and then carefully analyzed, many times using a Plus/Delta chart for what worked and what didn't and, thereby, what needs to be improved.

Our staff and volunteers are tireless in their efforts to raise funds for Hawai'i's public libraries. Securing a permanent location so that more time can be focused on the day to day work of the organization and no longer constantly looking/planning for another location has had a profound, energy saving effect on everyone involved. Having a permanent location gives FLH and its volunteers the opportunity to do long-range planning for growth and sustainability of the organization and its continuing effort to generate more funds for Hawai'i's public libraries. For all those who support and volunteer with FLH, it was hard to reconcile the fact that so much of the hard-earned revenue went toward rent instead of to the libraries where it is so needed. By securing a building of its own, FLH will be more sustainable while dramatically increasing its support of Hawai'i's public libraries.

Maintenance of the warehouse facility will be a line item in FLH's annual budget, funded by earned revenue and FLH endowment funds.

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.

In September 2020, Friends of the Library of Hawai'i purchased a permanent facility at 501 Sumner Street in the Iwilei neighborhood of Honolulu. Renovations are expected to be completed by July 2022. FLH staff and volunteers relocated to the new facility after initial remediation was completed and will be able to continue operating from the facility while the remaining renovations are completed.

The Sumner Street property increased the amount of space the organization has by close to 50% (an additional 5,613SF in stated square footage). Up to 150 pallets of material (200,000 books and media) are housed in the warehouse and more than 400 pallets of material (750,000 books and media) are processed through the warehouse each year. Seventy-five year-round volunteers, most of whom are seniors, sort and price the donated books and media for sale. The additional space allows FLH to cycle more material to our community and generate more funding for the libraries. The central location increases accessibility to new volunteers and the count of 75 year-round volunteers is expected to increase. Being close to a shopping hub in Iwilei (Costco, Home Depot, Lowes, Dole Cannery) and in close proximity to a future rail stop, the warehouse is much more accessible for donors and volunteers.

Currently unable to hold its annual book sale at McKinley High School and semi-annual sales due to COVID, FLH secured retail space at Ward Village at a discounted rate. The store, along with on-line sales, has allowed FLH to continue to generate revenue for library support.

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 facility at 501 Sumner Street serves as the base for Friends of the Library of Hawai'i's operations. Four full-time FLH staff work in the facility offices. Mr. Nainoa Mau has worked for the organization for eleven years. He has been the FLH Executive Director for seven years and previously was the FLH Program Director for four years. Mr. Mau received an undergraduate degree in Economics and an M.B.A from Clark University.

The FLH Program Director is Brian Leialoha. Mr. Leialoha has worked for the organization since January 2018 and previously worked in event management. Mr. Leialoha received an M.B.A. from Chaminade University.

The FLH Office Manager is Ms. Darlene Asuncion. Ms. Asuncion has worked for FLH since May of 2019 and is responsible for administrative duties and bookkeeping.

The FLH Warehouse Manager is Mr. Frederick Murakami. Mr. Murakami, who has been with FLH since October 2018, is responsible for warehouse operations.

In addition to the four staff members, FLH has nearly seventy-five dedicated volunteers who work in the warehouse year-round and an additional twenty-five volunteers who now staff the bookstore. Some volunteers come on an almost daily basis to assist the organization with processing donations. These amazing volunteers come with a wide range of professional backgrounds and their expertise is also an asset to the organization.

The FLH Board of Directors is a diverse group of working and retired professionals who are dedicated to advancing literacy and recognize the importance of our free public libraries. The FLH Board includes:

Executive Board

Kathy Fay, President
Lynnae Lee, Esq., Vice-President
Gregory Valen, Treasurer
Susan Li, Esq., Secretary

Board of Directors

Marlene Booth
Jane Dickson
Lynn Hiyakumoto
Amanda McCann
Keith Oda, CFP
Maia Rosen
Brian Sekiguchi
Kalani Sloat, Esq.
Allene R. Suemori, Hon. (Ret.)
Jennifer Thompson
Richard Wasnich, M.D.
Denise Wheeler, Esq.
Alan Yamamoto

Ex-Officio Director

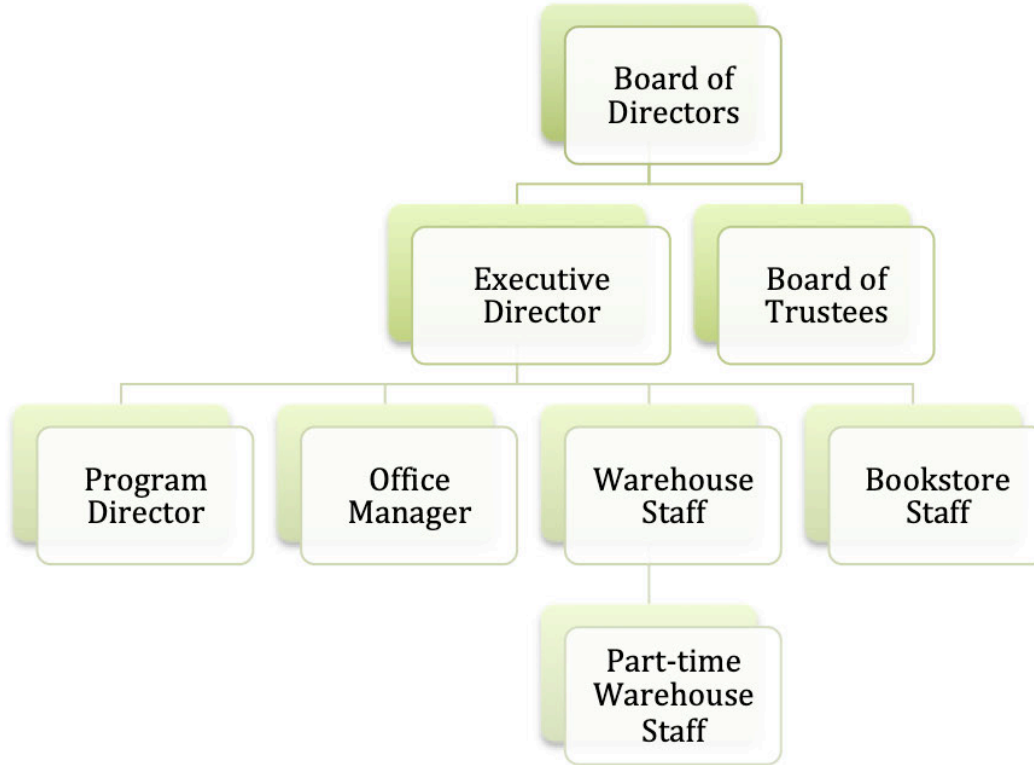
Stacey Aldrich, State Librarian

Board of Trustees

Dennis Blake
Sang Hyop Lee
Ken Lacy
William Mason

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.



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 - \$75,000 – 85,000

Program Director - \$45,000 – 50,000

Office Manager - \$35,000 – 40,000

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.

Not Applicable.

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.

Not Applicable.

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.

Not Applicable.

4. Future Sustainability Plan

The applicant shall provide a plan for sustaining after fiscal year 2022-23 the activity funded by the grant if the grant of this application is:

- (a) Received by the applicant for fiscal year 2022-23, but

If Friends of the Library of Hawai'i receives a State Grant-in-Aid grant of \$750,000, it will lower the amount left to pay off the bridge loan to \$201,729. FLH will continue its capital campaign to raise the remainder. If the organization is able to raise the full amount of its capital campaign goal, the savings in facility expenses will be directed toward library support. The successful purchase of the building will not only significantly reduce the facility expense but also prevent future increases. Prior to and during the pandemic, industrial property rents and prices were and have been at a premium and warehouse availability has contracted while demand has increased. In an effort to sustain the organization, the purchase of a permanent facility was deemed critical. Securing the funding for a permanent facility is necessary for the sustainability of the organization and its support for Hawai'i's public libraries.

(b) Not received by the applicant thereafter.

FLH fully expects to meet the deadline of September 2023 to pay off the bridge loan completely. If that deadline is not met, we will ask for a short extension of the loan and launch a second phase goal for the capital campaign.

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2022 to June 30, 2023

Applicant: Friends of the Library of Hawaii

BUDGET CATEGORIES	Total State Funds Requested (a)	Total Federal Funds Requested (b)	Total County Funds Requested (c)	Total Private/Other Funds Requested (d)
A. PERSONNEL COST				
1. Salaries				
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
TOTAL PERSONNEL COST				
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island				
2. Insurance				
3. Lease/Rental of Equipment				
4. Lease/Rental of Space				
5. Staff Training				
6. Supplies				
7. Telecommunication				
8. Utilities				
9. Funding for facility purchase	750,000		200,000	
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				
TOTAL OTHER CURRENT EXPENSES	750,000		200,000	
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL				
TOTAL (A+B+C+D+E)	750,000		200,000	
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	750,000	Nainoa Mau 808-536-4174		
(b) Total Federal Funds Requested		Name (Please type or print) Phone		
(c) Total County Funds Requested	200,000			
(d) Total Private/Other Funds Requested		Signature of Authorized Official Date		
		21 January 2022		
TOTAL BUDGET	950,000	Nainoa Mau, Executive Director		
		Name and Title (Please type or print)		

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Period: July 1, 2022 to June 30, 2023

Friends of the Library of Hawaii

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
N/A			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				
JUSTIFICATION/COMMENTS:				
Friends of the Library of Hawaii is not requesting funding for any equipment				

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
N/A			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				
JUSTIFICATION/COMMENTS:				
Friends of the Library of Hawaii is not requesting funding for any equipment				

BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2022 to June 30, 2023

Applicant: Friends of the Library of Hawaii

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST - \$2,843,051	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OTHER SOURCES OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2020-2021	FY: 2021-2022	FY:2022-2023	FY:2022-2023	FY:2023-2024	FY:2024-2025
FACILITY ACQUISITION	760000	100000	750000	200000	0	0
BRIDGE LOAN FOR FACILITY ACQUISITION	-1750000					
INTEREST RESERVE	90652					
RENOVATION, EQUIPMENT, MOVE	227511.54	46539				
TOTAL:	-671836.46	146539	750,000	200,000		
<p>JUSTIFICATION/COMMENTS The bridge-loan amount of \$1,750,000 was incurred to facilitate the purchase. The facility acquisition funds raised will pay down the bridge-loan. As the interest reserve is paid down the reserve funds will be released.</p>						

GOVERNMENT CONTRACTS, GRANTS, AND / OR GRANTS IN AID

Applicant: Friends of the Library of Hawaii

Contracts Total: 793,764

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S./State/Hawaii/ Honolulu/ Kauai/ Maui County)	CONTRACT VALUE
1	Funding to purchase facility	March 2019 - Feb. 2021	DAGS	State	750,000
2	Funding to purchase facility	Oct. 2021 - Sept. 2022	OCS	Honolulu County	43,764
3					
4					
5					
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Project Expense	Original				
Purchase of facility - Asking Price	\$ 2,450,000				
Closing Costs	\$ 22,853				
Interest Reserve	\$ 90,652				
Renovations, Equipment, Move	\$ 279,546				
Total	\$ 2,843,051				
	Amount Requested	Amount Granted	Expiry		
Secured funding					
State Grant in Aid	\$ 2,500,000	\$ 750,000	6/30/21	Disbursed in Feb 2021	
FLH	\$ 630,000	\$ 600,000	NA		
The Harry & Jeanette Weinberg Foundation	\$ -	\$ 190,000	NA	To be used for Intrs reserve	
The Clarence T.C. Ching Foundation	\$ 750,000	\$ 100,000		Disbursed 12/ 2020	
The Atherton Family Foundation	\$ 200,000	\$ 100,000		Disbursed in \$25k inc.4 yrs	
Individuals - To Date	\$ -	\$ 48,837	NA	Rcd To Date	
C&C Grant in Aid	\$ 200,000	\$ 43,764	9/30/22		
Cooke Foundation	\$ 20,000	\$ 30,000			
Makiki Friends	\$ -	\$ 20,000	NA		
Freeman Foundation		\$ 5,000			
		\$ 1,887,601			
Pending Funding					
State Grant in Aid		\$ 750,000			
City & County of Honolulu		\$ 200,000			
	Needed	\$ 955,450			
					1/11/22

Application Submittal Checklist

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

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


AUTHORIZED SIGNATURE

NAINOA MAU, EXECUTIVE DIRECTOR
PRINT NAME AND TITLE

JANUARY 21, 2022

DATE