



## 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.*

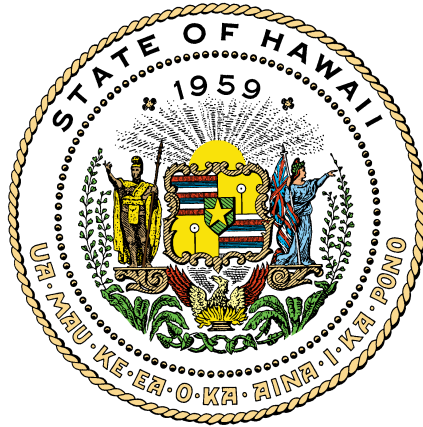
- 1) Hawaii Compliance Express Certificate (If the Applicant is an Organization)
- 2) Declaration Statement
- 3) Verify that grant shall be used for a public purpose
- 4) Background and Summary
- 5) Service Summary and Outcomes
- 6) Budget
  - a) Budget request by source of funds ([Link](#))
  - b) Personnel 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

LAWRENCE GRAFF, EXECUTIVE DIRECTOR

PRINT NAME AND TITLE

1/16/24  
DATE



## Department of Commerce and Consumer Affairs

### CERTIFICATE OF GOOD STANDING

I, the undersigned Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that

NEIGHBORHOOD HOUSING COMMUNITY DEVELOPMENT CORPORATION

was incorporated under the laws of Hawaii on 11/14/2018 ;  
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 04, 2024

Director of Commerce and Consumer Affairs

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

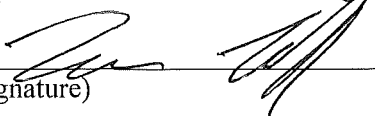
The undersigned authorized representative of the applicant certifies the following:

- 1) The applicant meets and will comply with all of the following standards for the award of grants pursuant to Section 42F-103, Hawai'i Revised Statutes:
  - a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant is awarded;
  - b) Complies with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
  - c) Agrees not to use state funds for entertainment or lobbying activities; and
  - d) Allows the state agency to which funds for the grant were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant.
- 2) If the applicant is an organization, the applicant meets the following requirements pursuant to Section 42F-103, Hawai'i Revised Statutes:
  - a) Is incorporated under the laws of the State; and
  - b) Has bylaws or policies that describe the manner in which the activities or services for which a grant is awarded shall be conducted or provided; and
- 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.
- 4) The use of grant-in-aid funding complies with all provisions of the Constitution of the State of Hawaii (for example, pursuant to Article X, section 1, of the Constitution, the State cannot provide "... public funds ... for the support or benefit of any sectarian or nonsectarian private educational institution...").

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.

Neighborhood Housing Community Development Corporation  
(Typed Name of Individual or Organization)

  
(Signature) 1/16/23  
(Date)

Lawrence Graff  
(Typed Name) Executive Director  
(Title)



## **Application for Grants Public Purpose Certification**

The grant will be used for Public Purpose pursuant to Section 42F-102, Hawai'i Revised Statutes.

Name of requesting Organization: PAL Hawai'i

The Public Purpose for the grant: Establishing a foundation of hope by providing affordable homes and services for the people of Hawai'i.

Services to be supported by the grant: Development of four affordable for-sale single-family homes.

Target Group: Eligible homebuyers earning 120% AMI or below selected from the County of Kaua'i's First-time Homebuyer Program.

Cost of the grant: \$200,000

## 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. Hawaii Compliance Express Certificate (If the Applicant is an Organization)**

If the applicant is an organization, the applicant shall submit one (1) copy of a Hawaii Compliance Express Certificate from the Comptroller of the Department of Accounting and General Services that is dated no earlier than December 1, 2023.

#### **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;**

Neighborhood Housing Community Development Corporation DBA Permanently Affordable Living Hawai'i (PAL) is a 501(c)(3) affordable housing nonprofit. Founded in 2018, our mission is to establish a foundation of hope by providing affordable homes and services for the people of Hawai'i. We are fighting against the displacement of Native Hawaiians and multigenerational, local families who are the lifeblood of our island culture. We do so by changing the paradigm from affordable housing to affordable living. We design projects and create programs that help our tenants thrive in their homes.

Our goal is to provide permanently affordable living for houseless and extremely-low to middle-income workforce residents with generational ties to Hawai'i. We do this through developing housing projects that provide various pathways: (1) Rental Housing, (2) Fee Simple Homeownership, and (3) Leasehold Homeownership via our Ho'omaluhia Community Land Trust. These diverse offerings allow us to provide equitable and accessible housing that meets

our applicants' needs within each income bracket. We have also created a points and preferences application system to ensure that local, generational households have priority.

When developing our projects, we don't just plan for affordable housing, we plan for affordable living. True affordability includes all basic needs — food, utilities, transportation, healthcare, and employment. Our projects are designed to make these essential components accessible through location, sustainable architectural design, amenities, and service enrichment.

Our Beyond Housing Program (BHP) provides service enrichment to all our rental housing projects. This program helps tenants maintain stability in housing by providing case management, referrals to social services, and workshops in life-skills education that improve their social and economic mobility, leading to increases in quality of life and self-sufficiency. The program also has a center that includes a community space for tenant meetings and workshops, a computer lab, and an office for case management.

Our PAL Construction arm allows us to schedule construction with an elevated level of predictability and control costs to build affordably. PAL's crew is engaged in our mission and dedicated to building affordable housing for the community. Familiar with our designs and building techniques, they can construct units efficiently using innovative techniques such as those used by Habitat for Humanity. This increases savings in construction so that we can meet our target price of \$225 per sq ft.

## 2. The goals and objectives related to the request;

This funding will address our For-Sale Homeownership pathway. The funds will be used to build four (4) affordable homes for households earning up to 120% Area Median Income or below (120% AMI is workforce affordable housing as defined by the County of Kaua'i).

Goal: To Select, Qualify and Build homes for four families.

Objectives:

(1) Select and qualify four (4) households earning up to 120% Area Median Income or below. Households are selected from the County of Kaua'i First-time Homebuyer Program. The households are income-qualified by the County of Kaua'i. We have an MOU with Hawaiian Community Assets to help eligible homebuyers receive loan approval.

(2) To produce and complete four (4) affordable homes and keep the total cost to about 50% of market value.

## 3. The public purpose and need to be served;

Housing is the number one expense for families. Aloha United Way 2022 study has shown that 41% of Kaua'i's population is Asset Limited, Income Constrained, Employed (ALICE). ALICE represents the growing number of families who are earning above the Federal Poverty Level but not enough to afford the basics of housing, childcare, food, transportation, health care, and technology. These workers often struggle to keep their own households from financial ruin, while keeping our local communities running. On Kaua'i, 34% of households are "just getting by" or "finding it difficult to get by." These households do not have the financial resilience to able to sustain a crisis and are vulnerable to homelessness. That is roughly 24k people. By offering affordable housing opportunities, we greatly reduce families' economic burdens.

In 2019 the Hawai'i Housing Planning Study identified that the island of Kaua'i needed 4,281 new affordable housing units by 2025. We are acting as urgently as possible to close this quickly widening gap. With limited affordable housing supply, many Hawaiian families and families with multigenerational ties to the island can no longer afford to live here. We need to prevent the displacement of the people who are our culture's lifeblood.

4. Describe the target population to be served; and

Eligible homebuyers earning 120% AMI or below selected from the County of Kaua'i's First-time Homebuyer Program.

5. Describe the geographic coverage.

All homes are located in the County of Kaua'i.

### **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;

A. The Homebuyer selection and loan approval process is carried out in coordination with the County of Kauai and Hawaiian Community Assets.

- Send marketing materials to the County of Kauai Housing Department for dissemination to consumers on the County's First Time Home Buyer list.
- County of Kauai income qualifies interested households.
- Income qualifies homebuyers are sent to PAL Kaua'i and eligible homebuyers are selected through PAL's priority and preferences prioritising length of residency.
- Hawaiian Community Assets assembles all information necessary to have a complete loan application and will submit it to lending institutions for loan approval.



B. Actual home construction

- Excavation - Dig footings for the foundation
- Foundation - Install pier and post foundation
- Subfloor - Construct floor (plywood) over joists
- Wall framing - Build and stand walls
- Roof framing/sheathing - Build roof framing and sheathing
- Roofing - Install roofing material
- Siding, porches - Install siding, build porches
- Windows, exterior doors - Install windows and exterior doors
- Plumbing (roughed in) - Install plumbing system (drain, waste, vent pipe, water supply, etc.)
- Electrical (roughed in) - Install conduit/cable, switch, light, outlet boxes w/ready-to-connect wires
- Insulation - Install heat resistant barriers
- Dry wall - Install dry wall on interior walls
- Porches/steps - Build porch flooring and steps
- Interior carpentry - Interior finish work of molding/trim, interior doors
- Cabinets, counter tops - Secure cabinets and countertops
- Interior painting - Clean, prep, and paint interior
- Exterior painting - Clean, prep, and paint exterior
- Plumbing (complete fixtures) - Complete plumbing fixtures
- Electrical (complete fixtures) - Complete electrical fixtures
- Finish hardware - Install hardware (hinges, pulls, knobs)
- Gutters /downspouts - Install rain gutters and downspouts
- Grading, landscaping - Final grading, grass planting

Home Construction to be completed by subcontractors under the supervision of the PAL Construction's Superintendent.

C. The final loan closing process is carried out by PAL Kaua'i and recorded through a title company.

2. Provide a projected annual timeline for accomplishing the results or outcomes of the service;
  - (1) Select and qualify four households up to 120% AMI or below (3 months)
  - (2) Produce and complete four (4) affordable homes (8 months)
  - (3) Close mortgages (2 months)
3. Describe its quality assurance and evaluation plans for the request. Specify how the applicant plans to monitor, evaluate, and improve their results; and

PAL Construction's Superintendent monitors all construction activities at our home-sites on a regular basis. This includes work conducted by subcontractors as well as PAL Hawai'i staff. All material orders are done through the PAL Construction Superintendent and all work is tracked

through established systems and schedules. The PAL Construction Superintendent also receives and complies with all necessary County Building Regulations and Permits and coordinates and receives County inspections and approvals throughout the home construction process. Ensuring that each stage of home construction is started and completed according to our construction timetable is essential to keep at or under budget and completing the building project without significant delay. Further evaluation occurs through job costing and subsequent surveys of homeowners, staff, and vendors in an effort to make improvements and streamline future projects.

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.

We will measure the effectiveness of our efforts on this project by:

- (1) Selecting and qualifying four households up to 120% Area Median Income or below that are in need of housing and that have an income in order to pay an affordable mortgage.
- (2) Producing and completing four affordable houses using keeping the total cost to about 50% of market value
- (3) Receiving Certificate of Occupancy, finalizing loan approval for homebuyers. Title transferred to Homebuyers.

## **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 (N/A)
  - c. Equipment and motor vehicles (N/A)
  - d. Capital project details (attached)
  - e. Government contracts, grants, and grants in aid (N/A)
2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2025.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$100,000	\$100,000	\$0	\$0	\$200,000

3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2025.

The cost to build the homes will be approximately \$280,000 each (not including land and infrastructure costs) for a total of \$1,200,000. The remainder of the home purchase price will come from USDA Section 502 Loan Guarantee Program. While the total cost of each home will be closer to \$500,000 with land and infrastructure, the sales price is determined by the interest rate based on 30% of the homebuyer's income. Therefore, as interest rates rise, the amount we are allowed to sell houses for decreases. In this environment where materials and labor costs are rapidly increasing, and the amount we can sell the houses are decreasing because of rising interest rates, subsidy is needed to sell homes affordably.

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.

PAL Hawai'i has not been given any state or federal tax credits within the past three years. PAL Hawai'i has not applied for any state or federal tax credits, nor do we anticipate applying for any.

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 2025 for program funding.

PAL Hawai'i received two grants in aid in 2023, \$100k for operating and \$200k for CIP.

6. The applicant shall provide the balance of its unrestricted current assets as of December 31, 2023.

\$1,901,836.00

## **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.

Our leadership has years of experience in real estate, affordable housing development, program management, and non-profit administration. The collective experience of our

executive team and talented staff enables our organization to execute projects and programs seamlessly, responding to the affordable housing crisis quickly and effectively.

PAL Construction's Superintendent has over 35 years of experience as a general contractor on Kaua'i. PAL's Construction Consultant has 27 years of experience as the former Executive Director of Habitat for Humanity Kaua'i, building affordable homes. The architectural design of PAL homes are based on the same design used for Habitat for Humanity and therefore are value engineered to provide high-quality, low-cost housing. This experience provides us with a high capacity to build these units.

## **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.

### Rental Housing

PAL Hawai'i owns two apartment buildings where we conduct our Rental Housing Program. Kauhale O Kekaha is located at 4517 Kala Road, Kekaha, HI 96752. It has 13 units. Kauhale O Kapa'a is located at 4585 Lehua Street, Kapa'a, HI, 996746. It has 13 units.

### PAL Hawai'i Administration

Our office space is located at the Anahola Marketplace (4523 Ioane Road, Anahola, Hawaii 96703). This facility provides an office space for all the administrative tasks and meetings that allow us to complete our development projects.

## **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.

To provide our permanently affordable housing options we must schedule construction with an elevated level of predictability and control costs to build affordably. To do so we formed PAL Construction, a single entity LLC under PAL Hawai'i's non-profit status. Due to our isolated nature, Kaua'i's workforce is limited, and most construction tradespeople are in high demand. PAL's workforce is engaged in our mission and dedicated to building affordable housing for the community. Familiar with our designs and building techniques through repetition, our crew is able to construct units efficiently using innovative techniques such as those used by Habitat for

Humanity. This increases savings in construction so that we can meet our target price of \$225 per sq ft.

PAL Hawai'i has a team of seasoned professionals responsible for implementing, executing, and completing our home construction project. In addition to the Executive Director, Larry Graff, and our PAL Construction Superintendent, Bill Chase, we have our Construction Consultant Stephen Spears, former Executive Director of Habitat for Humanity Kaua'i.

## **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.

Construction Superintendent \$89,676

Executive Director \$87,565.15

Chief Operating Officer \$86,582.58

## **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.

PAL Hawai'i is not currently under and pending litigation or outstanding judgment.

### **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.

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 2024-25 the activity funded by the grant if the grant of this application is:

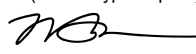
- (a) Received by the applicant for fiscal year 2024-25, but
- (b) Not received by the applicant thereafter.

There are three sources that fund PAL Hawai'i operations: donations, income from rentals, and income from the sale of homes from our single-family residential projects. We assumed ownership of Kauhale O Kekaha in February 2022 and Kauhale O Kapa'a in January 2023, both of which have required significant rehabilitation, limiting net operating income. We anticipate our repairs to be completed and our first construction projects to be sold in 2024. The GIA funding will supplement our operating costs for our program until our anticipated income streams will be able to support our staff positions.

## BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2024 to June 30, 2025

Applicant: Neighborhood Housing Community Development Corporation

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				
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20				
TOTAL OTHER CURRENT EXPENSES				
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL	200,000			626,000
<b>TOTAL (A+B+C+D+E)</b>				
<b>SOURCES OF FUNDING</b>		Budget Prepared By:		
(a) Total State Funds Requested	200,000	Moana Waipa      808-634-4328		
(b) Total Federal Funds Requested		Name (Please type or print)      Phone		
(c) Total County Funds Requested		 1/16/24		
(d) Total Private/Other Funds Requested	626,000	Signature of Authorized Official      Date		
<b>TOTAL BUDGET</b>	<b>826,000</b>	<b>Moana Waipa - Controller</b>		
		Name and Title (Please type or print)		

## BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2024 to June 30, 2025

Applicant: Neighborhood Housing Community Development Corporation

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OTHER SOURCES OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2022-2023	FY: 2023-2024	FY:2024-2025	FY:2024-2025	FY:2025-2026	FY:2026-2027
PLANS				36000		
LAND ACQUISITION				350000		
DESIGN				36000		
CONSTRUCTION		200000	200000	204000		
EQUIPMENT						
<b>TOTAL:</b>		200000	200,000	626,000		
<b>JUSTIFICATION/COMMENTS:</b>						
Funds will only be used for the construction of the homes.						



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

Applicant: Neighborhood Housing Community Development Corporation

Contracts Total: 300,000

	<b>CONTRACT DESCRIPTION</b>	<b>EFFECTIVE DATES</b>	<b>AGENCY</b>	<b>GOVERNMENT ENTITY (U.S./State/Hawaii/ Honolulu/ Kauai/ Maui County)</b>	<b>CONTRACT VALUE</b>
1	Grant-In-Aid Operating	07/01/2023-06/30/2024	SOHHS	State	100,000
2	Grant-In-Aid CIP	07/01/2023-06/30/2024	DLIR	State	200,000
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 **PAL HAWAII**  
**Org Chart**

