

House District _____

Senate District _____

THE TWENTY-NINTH LEGISLATURE
APPLICATION FOR GRANTS
CHAPTER 42F, HAWAII REVISED STATUTES

Log No: _____

For Legislature's Use Only

Type of Grant Request:

GRANT REQUEST - OPERATING

GRANT REQUEST - CAPITAL

"Grant" means an award of state funds by the legislature, by an appropriation to a specified recipient, to support the activities of the recipient and permit the community to benefit from those activities.

"Recipient" means any organization or person receiving a grant.

STATE DEPARTMENT OR AGENCY RELATED TO THIS REQUEST (LEAVE BLANK IF UNKNOWN): _____

STATE PROGRAM I.D. NO. (LEAVE BLANK IF UNKNOWN): _____

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:
Re-use Hawai'i

Dbas:
Re-use Hawai'i

Street Address:
200 Keawe Street, Honolulu, HI 96817

Mailing Address:
200 Keawe Street, Honolulu, HI 96817

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name QUINN VITTUM

Title Executive Director

Phone # (808)539-8902

Fax # (808)356-1615

E-mail quinn@reusehawaii.org

3. TYPE OF BUSINESS ENTITY:

- NON PROFIT CORPORATION INCORPORATED IN HAWAII
- FOR PROFIT CORPORATION INCORPORATED IN HAWAII
- LIMITED LIABILITY COMPANY
- SOLE PROPRIETORSHIP/INDIVIDUAL
- OTHER

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

OPERATIONAL AND PROJECT FUNDING TO SUPPORT THE SALVAGING AND REDISTRIBUTION OF USEFUL LANDFILL-BOUND MATERIALS CREATED BY CONSTRUCTION AND DEMOLITION ACTIVITY WITH THE PURPOSE OF REDUCING WASTE AND MINIMIZING THE IMPACT OF CONSTRUCTION AND DEMOLITION WASTE ON THE ENVIRONMENT OF HAWAII.

4. FEDERAL TAX ID #: _____

5. STATE TAX ID #: _____

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2018: \$ 249,404

8. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

- NEW SERVICE (PRESENTLY DOES NOT EXIST)
- EXISTING SERVICE (PRESENTLY IN OPERATION)

SPECIFY THE AMOUNT BY SOURCES OF FUNDS AVAILABLE AT THE TIME OF THIS REQUEST:

STATE \$ 0

FEDERAL \$ 0

COUNTY \$ 0

PRIVATE/OTHER \$ 0

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

Quinn Vittum, Executive Director
NAME & TITLE

1/20/17
DATE SIGNED



RECEIVED

1/20/17 *ma*

Application for Grants

I. Background and Summary

1. A brief description of applicant's background:

Re-use Hawai'i is an environmentally focused nonprofit organization established to reduce waste through building material reuse and recycling. The mission of Re-use Hawai'i is to preserve our natural resources, provide an affordable building material source through alternatives to demolition, and to sustain Hawaii's fragile island ecosystem. Through deconstruction and building material reuse, Re-use Hawai'i is transforming Hawai'i's largest source of waste into a sustainability-centered community resource.

The organization was founded in 2006 to serve as a solution to Hawai'i's issues of waste production and management. Starting with only seven employees, Re-use Hawai'i now consists of a team of over 35 individuals working to prioritize the sustainability of Hawai'i. The organization currently operates at its greatest capacity yet with four simultaneously operating deconstruction crews that perform two to three deconstruction projects each per month. Re-use Hawai'i has performed over 400 deconstruction projects, served over 28,000 community members through its Redistribution Center, diverted over 7 million pounds of waste away from the landfill, and turned this waste into a locally produced community resource valuing over \$5 million.

Re-use Hawai'i utilizes two main programs to achieve its mission: The Re-use Hawai'i Redistribution Program and the Re-use Hawai'i Deconstruction Program. The Deconstruction Program dismantles residential and commercial units by hand that are slated for demolition. Through careful and skilled removal, up to 80% of an existing structure can be salvaged. The resulting material is then transported back to the Redistribution Center, where it is made available to community members. These two programs work together to collect landfill bound materials and distribute them back into community use; reducing waste, minimizing harmful CO2 emissions, and creating green jobs simultaneously. Both the Deconstruction Program and Redistribution Program are revenue generating and through these programs, Re-use Hawai'i has funded 95% of its operation over the last 10 years. Re-use Hawai'i has yet to receive funding from the State of Hawai'i.



The Re-use Hawai'i Redistribution Center also houses the organization's two community education programs; our Community Workshops and Community Tours. Community Workshops serve as a means to equip community members with the skills needed to utilize salvaged materials, while also informing participants of Oahu's waste

intent to make the organization 100% self-sustaining. The identified objectives represent the organization's most immediate path to self-sustainability and greater mission fulfillment.

Objective 1:

Operate Redistribution Center at full capacity in order to maximize material returned to community use.

This effort to build maximize material redistribution will start with efforts to build awareness of our operation and mission. Re-use Hawaii has partnered with Ad2 Honolulu in order to build a complete marketing campaign, including television advertising, radio advertising, and community events. This initiative will serve to invigorate our current user base and to invite new users that were previously unaware of Re-use Hawaii. Re-use Hawaii has been able to reach over 28,000 unique community members without in formal marketing. This campaign will drive both our traffic through the Redistribution Center and our ability to redistribute material back into community use.

Existing means of engagement will also be vital to the success of this program. Our Community Workshops are designed to grow the skill set of the community in which we serve. Through learning and engagement, this program creates greater potential for material redistribution by developing a culture of reuse and a user base for our Redistribution Center.

Another strategy for the success of this program is further development of our staff and marketing within our Redistribution Center. Development and implementation of comprehensive Customer Service Training, Material Knowledge Training, and on-site marketing strategies impacts the experience had by each of our program users. This strategy is designed to remove barriers to participation in the reuse of materials and maximizes the potential for waste redistribution within all interactions.

Redistribution activity is measured by the value of material returned to community use. With the ability to create greater awareness of our program, equip community members with the skills needed to participate in reuse, and ensuring our staff is able to assist program users, Re-use Hawaii will increase the value of material redistributed through the Redistribution Program.

Objective 2:

Utilize newly realized capacity expansion to maximize program's environmental impact.

Re-use Hawaii is the only deconstruction contractor in the state of Hawaii and is the largest distributor of salvaged material. The point of connection between our two programs is the returning of material we salvage from our deconstruction projects to our Redistribution Center in Kakaako. The inflow of material from the Deconstruction Program is what allows for the redistribution of material. The scale with which this program operates dictates the environmental impact of our material redistribution. It is

construction debris including asbestos dust and other toxins blowing from the PVT landfill into their community. The more waste that is diverted from the PVT landfill, the greater the opportunity to advance the standard of living for this community.

The lumber and wood products industry has a net global emissions level of 467 million tons of CO₂ per year. Diversion of lumber and other wood products from landfills has the potential to reduce global CO₂ emissions by 135 million tons each year. The transportation of this material creates another source of green house gas emissions. Due to our distance from our sources of building materials and other products, Oahu receives 16.6 million tons of material from freight shipping each year. Cargo shipping is estimated to account for over 84% of the global impact of CO₂ emissions of the transport sector. Through our imports, Hawai'i contributes to the global effects of our changing climate. The work of Re-use Hawai'i cuts CO₂ emissions by minimizing both the need for new material production and the need for importing material to Hawai'i.

In their *Pacific Environment and Climate Change Outlook*, the South Pacific Regional Environment Program identifies the Islands of the Pacific as some of the most susceptible to the economic, agricultural, and social effects of climate change. Their research illustrates the impacts of rising sea levels on island populations, and social structures of those islands. Sea level rise will effect the islands of Hawai'i by causing flooding and erosion. Waikiki Beach has been identified as one of the areas that will be most impacted. The loss of this beach alone has been estimated to cost the island \$2 billion each year. Drought and the decrease of available freshwater will follow shifting temperatures and rainfall patterns. Those most greatly impacted are low-income communities with few options to counter the effects of climate change or relocate. As an island community, it is essential that Hawai'i be at the forefront of enacting climate change solutions.

4. Describe the Target Population to be Served:

The primary population served by this effort is residents of Hawai'i. All residents are impacted by the practices of the Construction and Demolition industry and the waste that it produces. Providing alternatives to landfill expansion creates new opportunities for the use of public land.

This program also benefits community members who's health and standard of living are directly impacted by landfills and their growth, which has been shown to disproportionately be residents of low to moderate income.

Through material redistribution, Re-use Hawai'i serves Oahu's homeowners, renters, contractors, artists, and others by offering an affordable and locally produced community resource. Over the past ten years, Re-use Hawai'i has returned over \$5 million into the local economy, and created 40 jobs benefiting all of Oahu's residents.

The prioritization of sustainability today benefits future Hawai'i residents and visitors who will manage the effects of our changing climate and rising sea levels.

- Modify annual environmental impact tracking to include monthly levels of CO2 emissions prevention, metal recycling, and embodied energy conservation.
- Recycle no less than 2 tons of scrap metal from material salvaged through our Deconstruction Program.
- Develop improved monitoring and planning of Community Pick-ups.
- Maintain an average of 3-4 Community Pick-ups per month.
- Maintain a monthly diversion of 35 tons of waste per month through deconstruction.

The responsibilities of this project will be carried out and managed by the Executive Director, Chief Financial Officer, Redistribution Center Manager, and Assistant Redistribution Center Manager. Data will be compiled by the Chief Financial Officer and Administrative coordinator. Implementation of final television and radio advertising will be managed by Ad2 Honolulu.

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

Annual Timeline for Accomplishing Objectives

Activities:	Q1	Q2	Q3	Q4
Objective 1: Operate Redistribution Center at full capacity in order to maximize material returned to community use				
1. Develop television and radio advertising campaign in partnership with Ad2 Honolulu	*			
2. Implement full rollout of marketing campaign		*		
3. Offer monthly Community Workshop with attendance of 8 participants	*	*	*	*
4. Develop Customer Service and Material Knowledge Training	*			
5. Implement training to all existing Redistribution Center staff		*	*	*
6. Maintain an average of 1,550 Redistribution Center users per month		*	*	*
7. Redistribute \$70,000 worth of material monthly back into community use		*	*	*

Activity	Methods	Information to be monitored & evaluated for future improvement
2. Maximize environmental impact of material redistribution	Tracking of identified metrics Bi-monthly management strategic meeting	number of operating crews, number of completed pick-ups, tonnage of diverted material, recycled metal, embodied energy conservation Status of monthly goals, efficiency of program performance, rate of material disposed vs diverted

4. List the measures of effectiveness that will be reported to the State agency through which grant funds are appropriated.

Measures of effectiveness are as follows:

Measures of Effectiveness to be Reported	
Activity	Measure of Effectiveness
Maximum material redistribution	<ul style="list-style-type: none"> - Development and implementation of full marketing campaign - Development and implementation of Customer Service and Material Knowledge Training to current staff - 12 Community Workshops completed with 8 (minimum) participants each - 1,550 monthly users of Redistribution Center - Average of \$70,000 worth of material redistributed monthly
Maximum environmental impact	<ul style="list-style-type: none"> - 4 deconstruction crews operating each month - 2 tons (minimum) of metal recycling - 3-4 (minimum) Community Pick-ups per month - 35 tons (minimum) of waste diverted through deconstruction

In the ten years that the Re-use Hawai'i Deconstruction Program has been in operation, Re-use has successfully completed over 400 deconstruction projects island-wide. In the ten years that the Re-use Hawai'i Retail Warehouse Program has been in operation, it has redistributed over \$5 million of salvaged building materials back into use by the community. These combined activities have resulted in the successful diversion of an estimated 7 million pounds of waste that would otherwise have ended up in the landfill.

Re-use Hawai'i is an established environmental nonprofit organization with an impressive track record of success in fulfilling its mission of waste diversion through building material reuse and recycling. The skills needed to perform this work such as, knowledge of deconstruction methods, demolition industry practices, personnel training, and nonprofit finance, are supplied by an experienced management team and dedicated staff.

The revenue generating streams of Re-use Hawai'i allow for income that is not often available to other mission based organizations. Though the costs associated with the operation of both the Deconstruction and Retail Warehouse Programs are high, this revenue has historically allowed the organization to fund 95% of its total costs.

B. Facilities

The Re-use Hawai'i Retail Warehouse operates out of a 40,000 square foot facility based in Kaka'ako. Equipment involved in the transportation of material to the Retail Warehouse includes: two 20' flat-bed trucks, three pickup trucks, one full-size van, two telescopic handler, and three counterbalance forklift trucks.

This facility and equipment satisfy the organization's need for material storage, display, and transportation at it's current capacity. The Kaka'ako neighborhood provides a location that is easily accessible to our program users.

Though this facility satisfies all storage and operation needs, it is one of the organization's largest annual costs. Requested funds will include costs associated with these expenses.



N/A

B. Licensure or Accreditation

N/A

C. Private Educational Institutions

N/A

D. Future Sustainability Plan

Supplied on supporting documentation

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

Supplied on supporting documentation; Certificate of Good Standing

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2017 to June 30, 2018

Applicant: Re-use Hawai'i

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	121,923	0	39,369	273,740
2. Payroll Taxes & Assessments	20,112	0	0	46,927
3. Fringe Benefits	15,190	0	0	35,443
TOTAL PERSONNEL COST	157,225		39,369	356,111
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island				
2. Insurance				
3. Lease/Rental of Equipment				
4. Lease/Rental of Space	70,392	0	22,000	142,248
5. Staff Training				
6. Supplies	7,156	0	0	16,699
7. Telecommunication	247	0	0	575
8. Utilities				
9 Disposal	5,530	0	0	12,903
10 Merchant Fees	3,876	0	0	9,043
11 Building Maintenance	900	0	0	2,100
12 Equipment Maintenance	4,078	0		9,516
13				
14				
15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES	92,179		22,000	193,084
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL				
TOTAL (A+B+C+D+E)	249,404	0	61,369	549,194
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	249,404	Daniel Murren		808-539-8904
(b) Total Federal Funds Requested	0	[REDACTED]		Phone
(c) Total County Funds Requested	61,369	[REDACTED]		01/20/17
(d) Total Private/Other Funds Requested	549,194	[REDACTED]		Date
TOTAL BUDGET	859,966	Chief Financial Officer		
		Name and Title (Please type or print)		

*Other Funds Requested are actually from revenues generated directly by Re-use Hawai'i's programs

Applicant: _____

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				

JUSTIFICATION/COMMENTS:

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				

JUSTIFICATION/COMMENTS:

Period: July 1, 2017 to June 30, 2018

Applicant: _____

FUNDING AMOUNT REQUESTED

TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OTHER SOURCES FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2015-2016	FY: 2016-2017	FY:2017-2018	FY:2017-2018	FY:2018-2019	FY:2019-2020
PLANS						
LAND ACQUISITION						
DESIGN						
CONSTRUCTION						
EQUIPMENT						
TOTAL:						

JUSTIFICATION/COMMENTS:

GOVERNMENT CONTRACTS AND / OR GRANTS

Applicant: _____

Contracts Total: _____

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S. / State / Haw / Hon / Kau / Mau)	CONTRACT VALUE
1					
2					
3					
4					
5					
6					
7					
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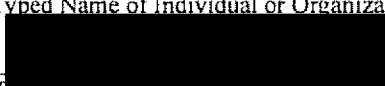
**DECLARATION STATEMENT OF
APPLICANTS FOR GRANTS PURSUANT TO
CHAPTER 42F, HAWAI'I REVISED STATUTES**

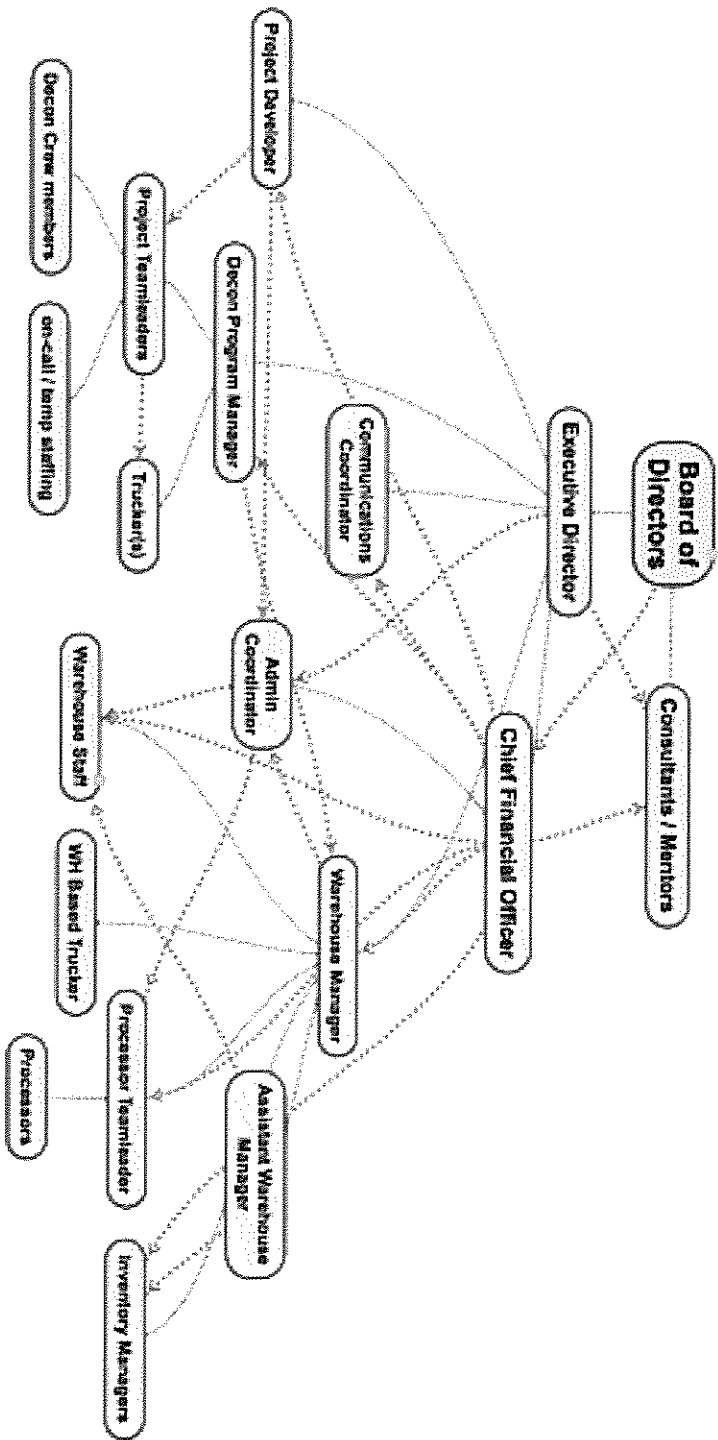
The undersigned authorized representative of the applicant certifies the following:

- 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.

<u>Re-use Hawaii</u> (Typed Name of Individual or Organization)	
	<u>1/20/17</u>
(Signature)	(Date)
<u>Quinn Vittum</u> (Typed Name)	<u>1/20/17</u>
	(Title)



Future Sustainability Plan

1: Strengthen Financial Position of the Organization

Re-use Hawai'i must improve its financial security by building a capital reserve.

Strategies:

- a) Drive deconstruction program revenue by maintaining four projects simultaneously. Focusing on predictable residential whole house and large contract commercial projects.
- b) Reduce equipment, material and property damage costs by establishing operational protocols.
- c) Maintain \$70k+ per month material sales revenue by improving customer service, fine tuning pricing and getting more people in the door through our marketing campaign (see Goal 3 below).
- d) Maintain and grow fundraising by reapplying annually to current and past funders. Identify new funding sources such as mainland foundations and corporate sponsors.
- e) Cut costs by engaging with HEMIC on loss prevention strategies.
- f) Lower health insurance by teaming up with Proservice.
- g) Work with First Hawaiian Bank to secure \$25k Line of Credit increase (current LOC is \$50k).
- h) Consider non-profit working capital loan from Nonprofit Finance Fund or other organization.
- i) Work with supporter(s) or angel investor to put in place a safety measure for unexpected financial challenge. Consider a shared secured loan.
- j) Engage financial consultant and board Treasurer to help review and direct financial management.

2: Board Development

At this stage in the organizations development, a more active, diverse, governing and structured board of directors is necessary.

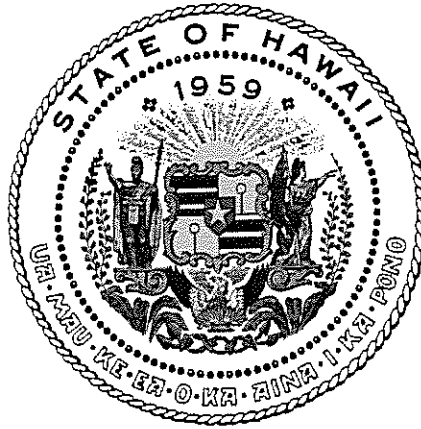
- a) Revised bi-laws and review with the current board.
- b) Building understanding and expectations with board members about involvement and responsibility.
- c) Recruit new board members with the following strengths and experience; marketing/ communication, banking/finance, community building, non-profit work, policy making/ government, law, and construction operations.
- d) Hold regular board meetings every quarter.
- e) Develop board committees including: fundraising, marketing, and community outreach.

3: Personnel Development

Our staff's engagement, commitment, and development is critical to program success. Based on our 2016 employee survey, we will work to improve retention and increase engagement and productivity. The result will be a high performing team that will self govern, collaborate, and problem solve with less direct participation required from the executive team.

Strategies:

- a) Hold more team leader meetings.



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

RE-USE HAWAI'I

was incorporated under the laws of Hawaii on 10/10/2006 ; 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 20, 2017

Director of Commerce and Consumer Affairs

