



2022 Annual Report

PAL Hawai'i
Anahola Marketplace, Suite A-1
+1 (808) 720-1101
www.pal-hawaii.org

501(c)(3) Non-profit Organization • FEIN 83-2662028

E Komo Mai

Welcome

We are building a solid foundation to serve our community for years to come.

Why do I do what I do? Because it's the right thing to do. It is a great honor to have this kuleana, this responsibility to my community, to be a resource, to provide people with information and hope. I am humbled every day with stories from the community about the troubles we face in housing. Each of these stories drive myself and my team to forge ahead.

All of what we do is challenging, and we are committed to the hard work needed to deliver more and better permanently affordable living options to Hawai'i residents. We look forward to the challenges and opportunities in 2023 and beyond! IMUA!



Me ka mahalo nui
(with much gratitude),

Taylor Kaluahine Lani
Associate Executive Director,
Founder



Our Mission

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Leadership Messages

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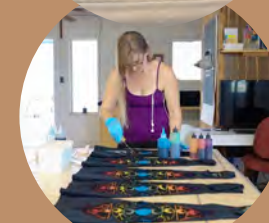
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Our Mission

To provide homes and sustainable living solutions within reach, restoring hope for the people of Kaua'i.

Our goal is to provide permanently affordable living for those with generational ties to Hawai'i who are houseless or very low- to workforce-income (<30-120% AMI). We do this through developing housing projects that provide various pathways:

- (1) Rental Housing
- (2) Fee-Simple Homeownership
- (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. To ensure that local, generational households have priority, we created a points and preferences application system.

When developing our projects, we plan for more than affordable housing. We plan for affordable living. That's why we say, it's housing and so much more. 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, education and service enrichment.

PAL Hawai'i is already making a vital difference Island-wide — north, south, east, and west — after only four years as a non-profit. Generous private donations, owner financing and creative funding have driven many of our projects. We continue to work diligently to grow our donor base and solve the housing crisis more swiftly.



Our beautifully distinct Hawaiian culture and values are under threat. PAL's goal is to protect the land and people that make Kaua'i special.

Leadership Messages



From Leilani Spencer President

It never ceases to astound me how the power of passionate likeminded people with a shared mission can move mountains. This housing tragedy has torn the very fabric of my beloved Hawai'i community, but I'm confident that we will help to repair that damage; small (and sometimes large) steps at a time.

The efforts of PAL are gathering energy and speed, and, with the help of many, I believe we can make what has been thought to be impossible, possible.

The great strides that PAL has made thus far in such a relatively short time gives me great hope and inspiration that 2023 will be the best year yet. I am honored to be instrumental in fulfilling the vision of Permanently Affordable Living for our local people.

E malama kākou kekahi i kekahi
(to take care of one another),

From Jim Edmonds Executive Director, Founder

I began this heart-rending work almost seven years ago when Taylor Kaluahine Lani came into my Real Estate Brokerage and said she would like to hang her Real Estate license with me. I said, "You just got your honors degree from the University of Hawai'i. Why did you get a Real Estate license?" She said, "I want to help my generation get property on Kaua'i." That was a "chicken skin" moment for me, so I said, "Why don't we focus on that?" My bad dad joke is that it took us about 20 minutes to figure out that it was already too late to help the local people. The prices, seven years ago, had already left them behind. So, in my naivety, I said, "Well, let's build affordable housing. It can't be that hard. Surely we can break ground in a year or two!"

Two years later, we finally founded a tiny 501(c)(3) non-profit: PAL Hawai'i – Permanently Affordable Living. We always say: It's housing and so much more. We had one employee and virtually a negative bank balance. Almost six years later, PAL broke ground on our first project, 11 beautiful homes in Kīlauea. Now, we are finding our stride and beginning to work miracles.

Why has PAL been so successful? Because of you, our amazing donors, supporters, employees, board and many people who have proven that they care by stepping forward to help! We are driven to solve this housing tragedy in Hawai'i and need all the help we can get!

Mahalo nui loa
(with great thanks),

You helped us...

Increase housing in Hawai'i.

Rehabilitate an apartment complex, which includes 13 affordable units

Add 45 affordable housing units to local Housing Stock Pipeline

Provide housing for 37 individuals

Place nine houseless families into permanent affordable housing

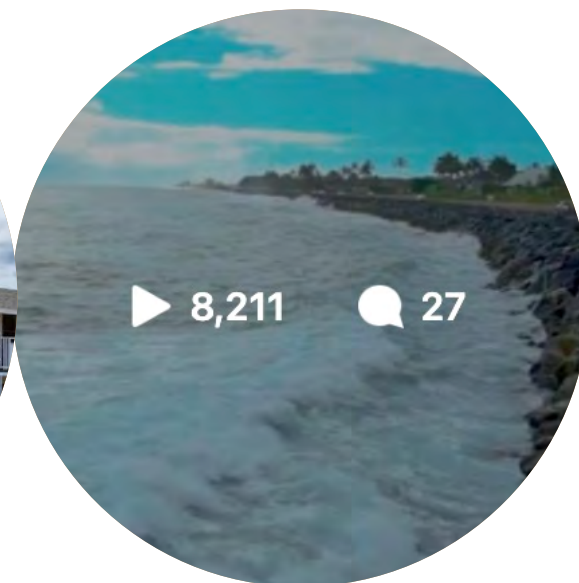


Expand our reach by the thousands.

Reach 23,600 people on Facebook and 31,031 people on Instagram

Put out 12 PAL Posts and PAL Radio Shows, with over 10,000 radio show listeners

Participate and speak at events nationwide



Raise money for the cause.

Raise \$9,623,895 in private donations

Receive \$110,000 in foundation grants

Create month-long fundraisers, creative events with the community, and direct project proposals



Push beyond barriers to housing.

Create PAL Construction Company

Establish Ho'omaluhia Community Land Trust

Implement the Beyond Housing Program



Increase our scope and abilities.

Investigate 30+ leads

Hire seven employees

Open two offices in Anahola

Expand to PAL Big Island



Projects

FEBRUARY 2022

Kauhale O Kekaha

13 affordable rental apartments in Kekaha

JANUARY 2023

Kauhale O Kapa'a

14 studio apartments in Kapa'a
Hoku Health Food Store as a tenant
Potential for additional 32 units

SPRING 2024*

Kauhale O Pu'u Wahi

17 single-family homes in Kalāheo
Co-developed with Habitat for Humanity
and Kaua'i Affordable Housing Inc.

SPRING 2024*

Kauhale O Namahana

11 single-family homes in Kīlauea
Co-developed with Habitat for Humanity

WINTER 2024*

Kauhale O Waipouli

17 housing units in Kapa'a
8 duplexes and 1 single-family home
Co-developed with Habitat for Humanity

*Tentative completion dates based on funding, permitting, and construction timelines.



Programs and Affiliates



Beyond Housing Program (BHP)

Access to resources and education is vital to secure permanently affordable living. The BHP is designed to guide tenants in our rental units along the path to homeownership through service-enriched housing. Providing onsite case management, we refer tenants to social services and develop their skills in areas like financial literacy and planning, entrepreneurship, and small business management. The BHP is currently running at our Kauhale O Kekaha affordable living apartment community, where we have placed a special focus on rehabilitating formerly houseless families. Since March of 2022, we have taken nine families directly out of houselessness.

Ho'omaluhia Community Land Trust Homeownership (HCLT)

The HCLT allows us to separate ownership of the home from ownership of the land. Homebuyers purchase their home and enter into a renewable, 99-year ground lease for the exclusive use of the land with the HCLT. Removing the cost of land makes the home more affordable and accessible to those who otherwise couldn't afford ownership. If a HCLT homeowner decides to sell, they agree to a resale formula that balances the owner's equity gain while setting an affordable resale price for future buyers. By limiting market appreciation, permanent affordability is ensured, spreading the initial subsidies that made the home affordable across generations.



PAL Construction

To schedule construction with an elevated level of predictability and control costs toward affordability, we formed the PAL Construction Company as a single entity LLC under PAL Kauai's non-profit status. Because we are an isolated island, Kauai'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 constructs units efficiently using innovative techniques such as those used by Habitat for Humanity. This will increase savings to meet our target of \$225 per sq.ft.

PAL Big Island

We have expanded to the Big Island. Our realtors seek adequate land and/or buildings to create affordable housing projects. Hawai'i Island is just the beginning, as PAL plans to expand its services statewide in the coming years.



Kaua'i Affordable Housing Alliance (KAHA)

KAHA, formed by PAL leadership in 2019, is composed of all of the affordable housing developers who build on Kaua'i. The nine members are for-profit and non-profit developers, including those building houses and tax credit apartments. Members of KAHA have already brought about lasting change, with over 1,350 affordable units on Kaua'i and thousands more across the state. KAHA communicates regularly and explores collaborating on projects with a more extensive scope and impact. PAL is also spearheading the KAHA initiative to start a revolving fund that will solve the affordable housing crisis on Kaua'i. This fund will provide easily accessible, risk tolerant funds with low interest rates that will allow developers to build at the speed needed.

Meet Carrie and Lincoln

“We were living at the beach park, in the sand.”

Lincoln and Carrie were the first houseless family that we moved into our service-enriched affordable housing community at Kauhale O Kekaha. Lincoln is Kanaka Maoli, born and raised on Kaua'i with family tracing back to the mokupuni (island) of Ni'ihau. They had been living at the beach park for several years. At the time, Lincoln was facing some serious health complications and, being unsheltered, was unable to safely undergo the necessary medical procedures.

After joining our community, Lincoln finally received the care he needed, and his recovery has gone smoothly. Both he and Carrie have been able to focus on growing their respective landscaping and housecleaning businesses. We are inspired by their resilience and grateful to have them as part of our PAL family.



He Wa'a, He Moku, He Moku He Wa'a

In simple translation this means,

“The Canoe is the Island,
the Island is the Canoe.”

We are all in this together, helping our
community strive forward, creating resilience
against whatever comes in our path.

This is my favorite
ōlelo nōeau
(Hawaiian Proverb).

Taylor



Board



Leilani Spencer
President



Glenn Head
Secretary



Harvest Edmonds
Treasurer



Puna Kalama Dawson
Member



Janice Bond
Member

Larry Graff Vice President
Jim Edmonds Member

Staff



Jim Edmonds
Executive Director, Founder



Larry Graff
Chief Operating Officer



Taylor Kaluahine Lani
Associate Executive Director, Founder



William B. Chase
Construction Superintendent



Moana Waipa
Financial Controller



Stephen Spears
Project Consultant



Racquel Segato-Figueroa
Development Director



Sarah O'Rourke
Communications Director



Crystal Caday-Bargayo
Programs Director



Arminda Hoomanawanui-Sugai
Property Assets Director



Daniel Mettauer
Construction Associate

Financials

PAL's cash flow, balance sheet, revenue and expenses.

Statement of Cash Flow

For the Month Ended December 31, 2022

Cash flows from operating activities:	
Net operating Income	\$ (50,285)
Depreciation and amortization	-
Loss on disposal of property and equipment	-
Changes in operating assets and liabilities:	
Changes in accounts receivable	-
Changes in prepaid expenses	1,566
Changes in deposits and Reserves	2,157
Changes in accounts payable and accrued expenses	457
Changes in accrued payroll and related liabilities	1,728
Changes in deferred revenue	-
Net cash provided by operating activities	(44,378)
Cash flows from investing activities:	
Investments	(980,000)
Land and Improvements	(134,764)
Cash Flows from financing activities	
Changes in long term debt	-
Net increase (decrease) in cash and cash equivalents	(1,159,141)
Cash at beginning of month	6,426,220
Cash at end of month	\$ 5,267,079

Balance Sheet

2022

Assets

Current Assets

Cash and cash equivalents	5,267,079	6,426,220	332,319
Restricted Cash Accounts	-	-	-
Accounts Receivable	-	-	-
Investments	1,730,000	750,000	-
Total Current Assets	\$ 6,997,079	\$ 7,176,220	\$ 332,319

Escrow Deposits

Escrow Deposits	60,000	60,000	-
Inkind Contribution used next year	35,127	35,127	35,127
Prepaid Insurance	15,658	17,223	-
Deposits and Reserves	20,417	18,260	102,920
Employee-oth Advances	-	-	-
Interest Reserve for loans	-	-	-
Inventory	-	-	-
Project Assets	40,276	40,276	-
Fixed Assets	20,350	20,350	-

Land and Improvements

Land Kauhale O Namahana	1,104,256	1,104,256	1,104,256
Improvements Kauhale O Namahana	308,188	285,309	-
Purchase Kauhale O Kekaha	2,475,000	2,475,000	-
Improvements Kauhale O Kekaha	272,101	160,216	-
Hoku Rental project Purchase	-	-	-
Hoku Rental Improvements	-	-	-

Long Term Receivable

Total Assets	\$ 11,348,451	\$ 11,392,237	\$ 1,574,622
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Liabilities and Net Assets

Current liabilities

Accounts payable	1,051	593	-
Accrued compensation and related liabilities	729	(998)	-
Long Term Liabilities	1,930,000	1,930,000	1,350,000
Total Liabilities	\$ 1,931,780	\$ 1,929,595	\$ 1,350,000

Net Assets

Unrestricted Net Assets	25,966	25,966	25,966
Temporarily restricted	-	-	-
Total Net Assets	\$ 25,966	\$ 25,966	\$ 25,966

Total Liabilities and Net Assets

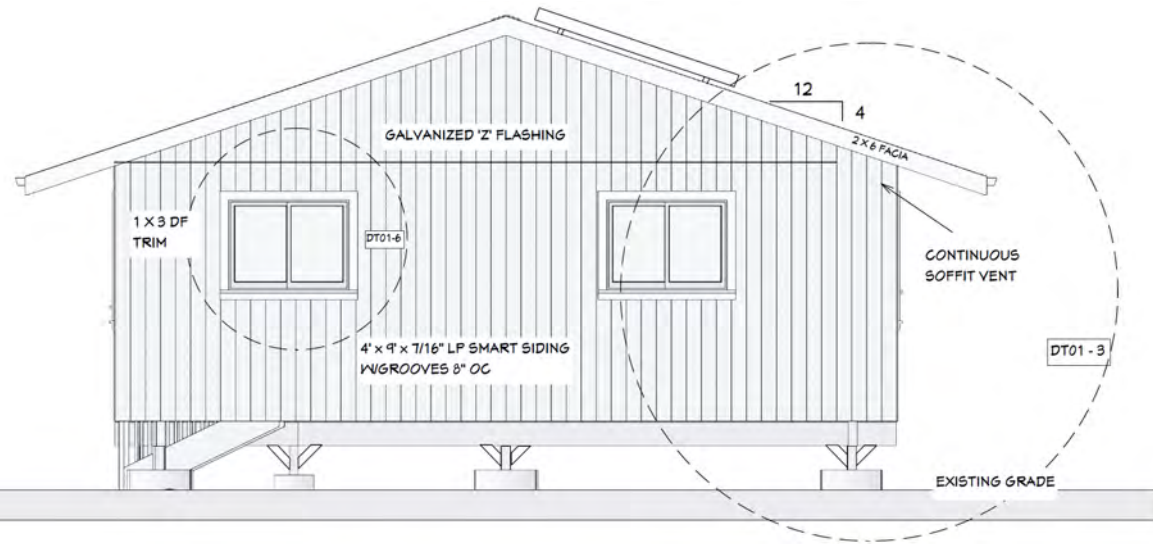
Total Liabilities and Net Assets	\$ 11,348,451	\$ 11,392,237	\$ 1,574,622
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Revenue and Expense Statement

December 31, 2022

Unaudited

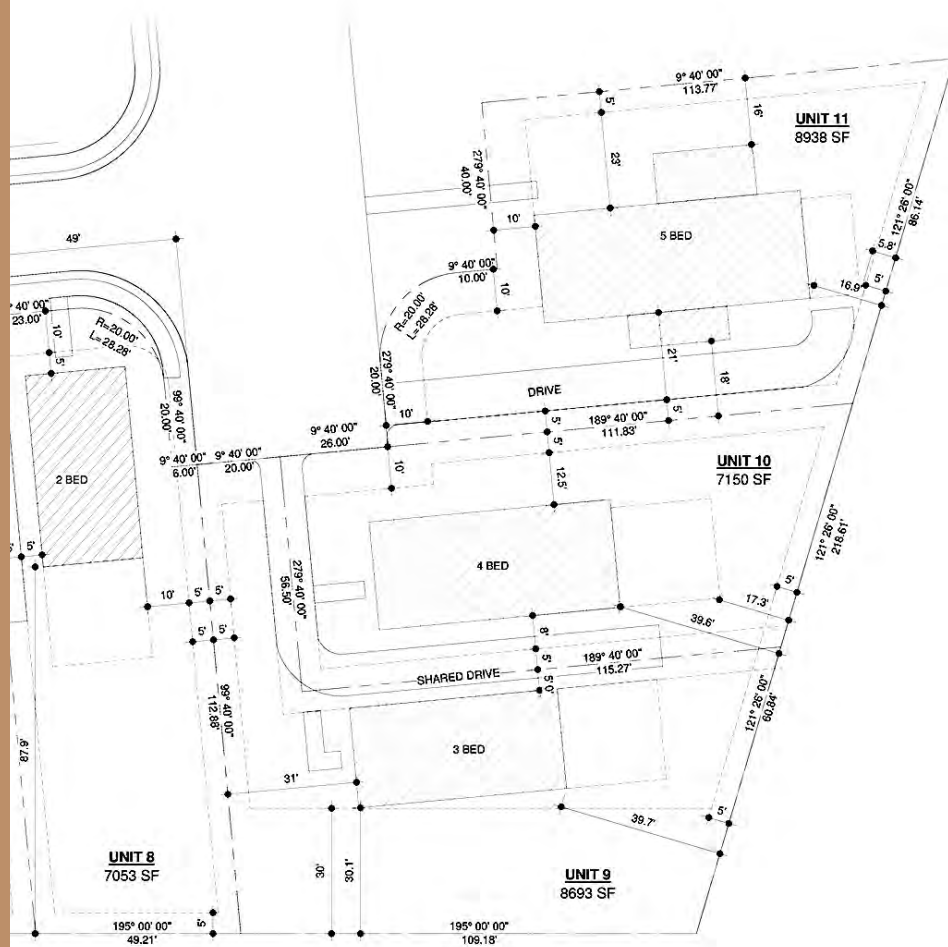
	Actual	Current Month Budget	Variance		Actual	Year-to-Date Budget	Variance
				Revenue:			
				Unrestricted Contributions			
	3,733	419,897	(416,164)	Individual	5,124,803	5,038,766	86,037
	6,307	-	6,307	Corporation and Business	34,614	-	34,614
	-	-	-	Grants	110,000	-	110,000
	10,040	419,897	(409,857)	Total Unrestricted Contributions	5,269,417	5,038,766	230,651
				Restricted Contributions			
	-	-	-	Individual	4,540,000	-	4,540,000
	-	-	-	Corporation and Business	-	-	-
	35,000	-	35,000	Private Grant	80,000	-	80,000
	-	-	-	Government Grant	-	-	-
	35,000	-	35,000	Total Restricted Contributions	4,620,000	-	4,620,000
	45,040	419,897	(374,857)	Total Contributions	9,889,417	5,038,766	4,850,651
				Other Income			
	9,638	20,210	(10,572)	Program Income	225,096	242,517	(17,421)
	-	-	-	Inkind	-	-	-
	-	(375)	375	Special Events	-	(4,500)	4,500
	7	-	7	Interest Income	37	-	37
	-	-	-	Investment-Misc Income	-	-	-
	9,645	19,835	(10,190)	Total Other Income	225,133	238,017	(12,884)
	54,685	439,732	(385,047)	Net Revenue	10,114,550	5,276,783	4,837,767
				Expenses:			
	-	-	-	Other Mission Specific Costs	1,639	-	1,639
	72,307	40,013	32,294	Salaries and Benefits	488,115	480,157	7,958
	2,383	3,482	(1,099)	Supplies	30,743	41,787	(11,044)
	1,696	594	1,102	Information Systems	7,207	7,125	82
	-	-	-	Property Tax	15,647	-	15,647
	3,442	2,440	1,002	Building Repair/Maintenance	23,931	29,278	(5,347)
	-	-	-	Equip Rentals	-	-	-
	1,597	747	850	Utilities	8,543	8,960	(417)
	3,282	-	3,282	Property Maintenance	14,811	-	14,811
	3,682	540	3,142	Equipment Costs	10,118	6,480	3,638
	926	337	589	Advertising and Printing	4,691	4,043	648
	-	142	(142)	Travel, Conferences and Meetings	4,108	1,704	2,404
	-	-	-	Depreciation	-	-	-
	-	-	-	Vehicle Expense	-	-	-
	1,566	2,510	(944)	Insurance	34,336	30,118	4,218
	12,140	5,742	6,398	Purchased Services	103,334	68,903	34,431
	10	26	(16)	Postage and Shipping	329	315	14
	-	-	-	Bad Debt Expense	-	-	-
	-	33	(33)	Membership Dues	25	400	(375)
	526	-	526	Baseyard Expense	526	-	526
	-	-	-	Warehouse Expense	-	-	-
	-	-	-	Interm Expense	-	-	-
	330	167	163	Donor recog/cultivation	330	2,000	(1,670)
	-	-	-	P/R- Major Gift Event Expense	-	-	-
	102	167	(65)	Business Exp. - Filing Fees	237	2,000	(1,763)
	-	937	(937)	Excise Tax	7,726	11,243	(3,517)
	-	-	-	UBIT	-	-	-
	981	244	737	Other Expenses	1,099	2,925	(1,826)
	104,970	58,120	46,850	Total Expenses	757,495	697,438	60,057
	(50,285)	381,612	(431,897)	Net Income	9,357,055	4,579,345	4,777,710



Revenue and Expense Statement

December 31, 2022

By Department



Revenue:

Unrestricted Contributions

Individual	-	-	60,000	5,060,540	4,263	5,124,803
Corporation and Business	-	-	-	34,614	-	34,614
Grants	-	-	-	110,000	-	110,000
Total Unrestricted Contributions	-	-	60,000	5,205,154	4,263	5,269,417

Restricted Contributions

Individual	4,500,000	-	40,000	-	-	4,540,000
Corporation and Business	-	-	-	-	-	-
Private Grant	35,000	-	45,000	-	-	80,000
Government Grant	-	-	-	-	-	-
Total Restricted Contributions	4,535,000	-	85,000	-	-	4,620,000

Total Contributions

	4,535,000	-	145,000	5,205,154	4,263	9,889,417
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Other Income

Program Income	225,096	-	-	-	-	225,096
Inkind	-	-	-	-	-	-
Special Events	-	-	-	-	-	-
Interest Income	-	-	37	-	-	37
Investment-Misc Income	-	-	-	-	-	-
Total Other Income	225,096	-	37	-	-	225,133

Net Revenue

	4,760,096	-	145,037	5,205,154	4,263	10,114,550
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Expenses:

Other Mission Specific Costs	-	-	150	1,489	-	1,639
Salaries and Benefits	150,952	114,257	25,467	159,386	38,052	488,114
Supplies	62	10,366	-	20,314	-	30,742
Information Systems	1,646	763	72	4,221	505	7,207
Property Tax	12,895	2,752	-	-	-	15,647
Building Repair/Maintenance	21,549	685	-	1,695	-	23,929
Equip Rentals	-	-	-	-	-	-
Utilities	7,373	390	-	780	-	8,543
Property Maintenance	12,830	1,750	-	231	-	14,811
Equipment Costs	1,682	1,065	-	7,372	-	10,119
Advertising and Printing	435	42	2	3,598	614	4,691
Travel, Conferences and Meetings	1,946	-	207	556	1,398	4,107
Depreciation	-	-	-	-	-	-
Vehicle Expense	-	-	-	-	-	-
Insurance	32,313	-	-	2,023	-	34,336
Purchased Services	16,112	27,212	14,137	45,873	-	103,334
Postage and Shipping	23	-	-	306	-	329
Bad Debt Expense	-	-	-	-	-	-
Membership Dues	-	-	-	25	-	25
Baseyard Expense	-	-	-	526	-	526
Warehouse Expense	-	-	-	-	-	-
Interm Expense	-	-	-	-	-	-
Donor recog/cultivation	-	-	-	-	330	330
P/R- Major Gift Event Expense	-	-	-	-	-	-
Business Exp. - Filing Fees	41	-	71	125	-	237
Excise Tax	7,456	-	-	-	270	7,726
UBIT	-	-	-	-	-	-
Other Expenses	-	-	-	1,099	-	1,099
Total Expenses	267,315	159,282	40,106	249,619	41,169	757,491

Net Income

	4,492,781	(159,282)	104,931	4,955,535	(36,906)	9,357,055
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Mahalo

Together we can provide hope
of an affordable Hawai'i for all.



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