



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

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Statement of
THEODORE E. LIU
Director
Department of Business, Economic Development, and Tourism
before the
**HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT
AND BUSINESS CONCERNS**

Thursday, January 31, 2008
8:30 A.M.
State Capitol, Conference Room 325

in consideration of
HB 2228
**RELATING TO MAKING AN APPROPRIATION FOR COMMUNITY-BASED
ECONOMIC DEVELOPMENT**

Chair Yamashita, Vice-Chair Wakai and Committee members:

The department supports the concept behind HB 2228 which makes an appropriation for the community-based economic development revolving fund to assist qualifying community-based organizations. There have been many good ideas introduced this legislative session that support the State's economic development goals. We note, however, that this appropriation was not included in the Executive's Supplemental Budget, and request that this appropriation not displace the priorities contained in that budget.

In review of this bill, the Attorney General's Office has advised us to recommend that the following language should be added to the bill to insure authority of the CBED Revolving Fund to disperse funding to our community organizations:

"There is appropriated out of the Hawaii community-based economic development revolving fund the sum of \$500,000, or so much thereof as may be necessary for fiscal year 2008-2009, for low-interest loans and grants. The sum appropriated shall be expended by the department of business, economic development, and tourism for the purposes of this Act."

The CBED Program is unique in that it provides planning ("seed") grants and small implementation (matching) grants to community-based non-profit organizations to build capacity and develop businesses, marketing or other necessary planning documents in order to access larger funding through Federal, State, County and other private funding resources. Since its inception in 1991, the CBED grant and loan revolving fund and technical assistance program has committed more than \$4 million to more than 180 community-based organizations statewide. Approximately 67 percent of program funds were distributed to Neighbor Islands.

In fiscal year 2006, the CBED Program awarded just over \$260,000 in grant funds to 15 community organizations. Twelve of the fifteen organizations completed their grants in FY 2007. These organizations reported creating 163 new full-time jobs and 100 part-time jobs, the establishment of 72 new businesses, and assistance or expansion of 92 existing businesses. In technical assistance, CBED funds provided 12 organizations with one-on-one business planning or organizational capacity-building assistance. More than 280 high school students were provided business training through workshops. And, more than 2,600 individuals representing more than 550 community organizations or agencies were provided community economic development training, information and assistance.

With adequate funding, the CBED Program can accomplish bigger and better results than reported in FY 2007. The CBED Program will play a major role in assisting communities achieve their goals and vision through economic development. CBED can provide our communities the opportunities to gain the *know-how* and skills to take control over local resources, become an active cooperative community, and provide more avenues for community empowerment.

Thank you for the opportunity to offer these comments.

Board Members

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Executive VP and Partner
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Kukui & Gary Maunakea-Forth
WCRC/Mala Ai `Opio

Rian Dubach
American Savings Bank

Tommy Otake

HACBED Staff

Robert Agres, Jr
Executive Director

Justin Fanslau
Associate Director

Larissa Meinecke
Public Policy Associate

Tony Hall
Administrative Director

House Committee on Economic Development & Business Concerns
Thursday, January 31, 2008 at 8:30am
Conference Room 325

HB 2228 – SUPPORT

MAKING AN APPROPRIATION FOR COMMUNITY-BASED ECONOMIC DEVELOPMENT

Chair Yamashita and Committee members thank you for the opportunity to provide testimony in support of HB 2228 which would appropriate funds to the Community-Based Economic Development Program of the State Department of Business, Economic Development, and Tourism for the purpose of funding community based economic development (CBED) organizations statewide.

We believe that State support for CBED projects for communities is crucial because they are:

- addressing critical social and community issues through initiatives with economic impact – getting to the “double bottom line”;
- leveraging limited resources through creative public, private, and community partnerships; and
- empowering families and communities to have choice and control over their own futures.

These communities have been building their capacity as economic development practitioners to contribute to the diversity of the state’s strong economy. Since its inception, CBED’s grant and loan revolving fund and technical assistance program has committed more than \$3.8 million to more than 160 community based organizations (CBOs) statewide. Close to 70% of program funds were distributed to the Neighbor Islands. The DBEDT/CBED program has been an instrumental partner in assisting community based institutions to plan for and implement economic initiatives that create jobs. Last year, the CBED grantees created or retained over 173 jobs.

The Hawai`i Alliance for Community-Based Economic Development (HACBED) is a statewide 501(c) 3 organization established in 1992 to help maximize the impact of community-based economic development organizations (CBEDOs). HACBED believes that social, economic and environmental justice can be achieved by the people and communities of Hawai`i.

HACBED

Hawai'i Alliance for Community-Based Economic Development
677 Ala Moana Blvd., Suite 702 Honolulu, HI 96813
Ph. 808.550.2661 Fax 808.534.1199
Email info@hacbed.org www.hacbed.org

We pursue our mission by helping CBEDOs to increase community control of their assets and means of production. We accomplish this in many ways -- by providing technical support to help CBEDOs deal with organizational issues; by networking on a local and national basis for funding and financing for community-based efforts; and, by advocating for communities to play a more active role in the political process in order to effect systemic change.

We therefore ask for your support of HB 2228 and the continuing efforts on the part of communities to exercise greater control over their own futures.

Thank you for the opportunity to provide this testimony.

Sincerely,

Bob Agres
Executive Director

Justin Fanslau
Associate Director

Larissa Meinecke
Public Policy Associate

God's Country Waimanalo

From the Mountains to the Sea, Keeping Our Country Country.

Statement of

Heidi Ilima Ramseyer

Director of Operations

God's Country Waimanalo

before the

HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT AND BUSINESS CONCERNS

Thursday, January 31, 2008

8:30 A.M.

State Capitol, Conference Room 325

in consideration of

HB 2228

RELATING TO MAKING AN APPROPRIATION FOR COMMUNITY-BASED ECONOMIC DEVELOPMENT

Chair Yamashita, Vice-Chair Wakai and Committee members:

We, God's Country Waimanalo, submit this testimony in support of HB 2228.

These funds impact our community in a big way and we would like that effort to continue. We have been able to partner with Empower Oahu on different projects and have found much success.

We have recently started the Waimanalo Demonstration Backyard Organic Gardening Project which has been ongoing for the past 3 months. We have 10 families from our community who have started gardens and lo'i patches in their yards and have thus far been flourishing.

We have also been able to conduct Micro-Enterprise training classes in our community, and successfully graduated 16 of our 21 participants.

We believe these efforts are vital to our community's economy and sustainability. Please help it to continue.

God's Country Waimanalo respectfully asks this Committee to support HB 2228.

Mahalo and God Bless,

H. Ilima Ramseyer
Director of Operations

EMPOWER WAIMANALO

Statement of
Kehaulani Padilla
Waimanalo Representative of Empower Oahu
Before the
**HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT
AND BUSINESS CONCERNS**

Thursday, January 31, 2008
8:30 A.M.
State Capitol, Conference Room 325

In consideration of
HB 2228
**RELATING TO MAKING AN APPROPRIATION FOR COMMUNITY-BASED
ECONOMIC DEVELOPMENT**

Chair Yamashita, Vice-Chair Wakai and Committee members:

Empower Waimanalo supports HB 2228.

Empower Waimanalo, as part of Empower Oahu, has made great strides in planning for a better economic future for our community. Through the CBED program we have had micro-enterprise training that has supported at least 16 of our residents in planning for their own business. We have developed a new Backyard Organic Farming project that will demonstrate the benefits of growing your own food and eating healthy. This program will be replicated throughout our community and the communities of Empower Oahu to benefit our residents in a healthy and sustainable future.

The CBED Program is vital to our community's economic future. The CBED Program encourages our community and its' residents to help ourselves and each other. The Program gives us the "seed money" to implement our ideas of how we can help ourselves.

Our work in Waimanalo is just beginning. Continued use of funds through the CBED Program will help us to implement strategies that will support a sustainable future for our economic well-being.

I respectfully urge this Committee to support HB 2228.

Thank you for the opportunity to offer these comments.

Mahalo Nui,

Kehaulani Padilla
Waimanalo Representative to
EMPOWER OAHU

Kenneth K L Ho
41-727 Ala Koa Street
Waimanalo, Hawaii 96795
808-259-8587

Waimanalo Demonstration Backyard Organic Gardening Project

**HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT
AND BUSINESS CONCERNS**

Thursday, January 31, 2008
8:30 A.M.
State Capitol, Conference Room 325

in consideration of
HB 2228
**RELATING TO MAKING AN APPROPRIATION FOR COMMUNITY-BASED
ECONOMIC DEVELOPMENT**

Chair Yamashita, Vice-Chair Wakai and Committee members:

Aloha! As a participant of this project I fully support this effort to secure the funding necessary to make it happen. I ask your committee to do the same. It has been wonderfully rewarding to see such progress in my garden every day. And to be able to partake of its bounty is so powerful.

I humbly ask for your support of HB 2228 for continued success in the community.

Thank you for this opportunity to give my mana`o.

Mahalo,

Kenneth K L Ho

wakai1-Karen

From: 96795 news [96795.news@gmail.com]
Sent: Wednesday, January 30, 2008 11:37 AM
To: EDBtestimony
Subject: Fwd: HB2228

----- Forwarded message -----

From: Dorothea Kahiapo <naloisgood@yahoo.com>
Date: Jan 30, 2008 9:23 AM
Subject: HB2228
To: HouseInterpreter@capitol.hawaii.gov

HOUSE COMMITTEE on ECONOMIC DEVELOPMENT
AND BUSINESS CONCERNS

Thursday, January 31, 2008
8:30 A.M.
State Capitol, Conference Room 325

in consideration of
HB 2228
**RELATING TO MAKING AN APPROPRIATION FOR COMMUNITY-BASED ECONOMIC
DEVELOPMENT**

Chair Yamashita, Vice-Chair Wakai and Committee members:

Waimanalo Demonstration Backyard Organic Gardening Project

Dear Committee,

Thank you for letting me share my thoughts on this bill. I ask you to please support this effort as I have been a recipient of these funds through different projects and programs in my community.

Currently, I am in the demonstration project mentioned above and would like for this project to continue and expand for other members of my community and beyond.

Your support of HB 2228 will greatly impact that. I ask for your vote of confidence in the people of our Hawaii and our ability to make a difference, both personally and collectively to bring to the forefront great opportunities for economic development and sustainability.

I respectfully ask this Committee to support HB 2228.

Mahalo,

Dorothea Billie Kahiapo

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1/30/2008

Legislative Testimony

Measure Number: House Bill 2228

House Committee on Economic Development & Business Concerns

Chairperson: Representative Kyle T. Yamashita

Vice-Chairperson: Representative Glenn Wakai

And 10 House Members

Hearing Date: January 31, 2008 Time: 8:30a

Location: Room 325

Making an appropriation for Community-Based Economic Development

Part 1

Appropriates \$500,000 for each year in the 2007-2009 fiscal biennium's to provide grants under the Hawaii Community - based Economic Development Technical and Financial Assistance Program.

The legislature could be so bold as supplementing this budget to accommodate 2 "much needed" positions and incorporate this appropriation into this present bill.

In HRS Chap. 210D: The legislature finds its fiduciary and fiscal responsibility to support the statewide CBED program.

The community - based economic development organizations are the statewide backbone of local grass roots entrepreneurship. These organizations consist of co-operatives, non-profits with for - profit arms, collaborative and incubators for startup initiatives that have "effectively" boosted the local economy by an 11 to 1 leveraging power. These organizations not only apply for grants within the state but also through leveraging power, can compete on a national level with philanthropic entities.

Community - based economic development ventures are across many disciplines: (to name a few) Agriculture/Aquaculture, Artisans, Community Empowerment, Commercial Kitchens, Cultural Restoration, Health and Wellness, Music, Tourism, Youth, Etc.

Community-based economic development crosses the boundaries of races, ideas, products, projects and initiatives. It gives credence to the entrepreneurial spirit that is basis for today's diversity throughout the capitalist world and other growing national and international economies.

If the legislature does not support, pass and fund this bill, the CBED program will not have the financial foundation needed to expedite great projects and the State-CBED movement will meet its demise. As it stands, there is no fiscal appropriation without restraint to implement this program. A serious statement but, without funding support to the CBED

communities and disciplines, the ability to leverage funding and implement community initiatives will be hindered or dormant. It will stifle the innovative ideas of communities that create another layer of entrepreneur and economic diversity within the State of Hawaii.

PART 2

APPROPRIATES \$500,000 INTO THE HAWAII COMMUNITY-BASED ECONOMIC DEVELOPMENT revolving fund to financially assist qualifying community-based organizations statewide.

Part 1 is recycled testimony in support of this legislation from last year's initiative to get funding into this program. Unfortunately, this bill did not see the light of day in the Senate WAM committee chaired by Senator Rosalyn Baker. In retrospect, the House version was supported but the bill met its demise in the cross over to the Senate. Unfortunate indeed.

While the economy of the U. S. and Hawaii—are in decline, the source of income from tourism is taking a critical dive. While economist give predictions, what one must investigate is how we keep an economy viable in spite of stock market fluxes and overall decline of the dollar over the Euro.

To diversify and have the ability to empower the local community-based organizations in developing initiatives and projects, or sustain great projects/programs will enable and attract other funding sources with fresh monies from other philanthropic entities to leverage the limited grant funds within the state. This creates or sustains employment, works for community organizing handling their own kuleana and gives tourism more local ventures/venues to pick from, which continues to make Hawaii a desired destination.

Hana hou: The legislature could be so bold as supplementing this budget to accommodate two (2) "much needed" positions and incorporate this appropriation into this present bill.

I pray, in the legislature's infinite wisdom, sees the merits of supporting this piece of legislation and encourage the Senate to follow its lead.

Testimony submitted by: Leona M. Kalima

LĀNAʻI

Hawaii's Most Enticing Island®

Tuesday, January 29, 2008

House of Representatives
Hawai'i State Capitol, Conference Room 325

Subject: Testimony in support of HB 2228

Please accept my testimony in support of HB 2228. This appropriation is crucial to the continuation of this unique program. The general fund infusion for the Community-Based Economic Development (CBED) Revolving Fund of \$500,000 can truly empower the communities throughout our beloved state.

As an Advisory Council Member for the CBED Program, I have witnessed the positive impact this program has provided to community-based non-profit organizations in rural communities. I support HB 2228 as introduced by House Speaker, Calvin Say and Senate President, Colleen Hanabusa.

Mahalo,



Waynette Ho-Kwon
Director

Lāna'i Visitors Bureau

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Lāna'i City, HI 96763-1436

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email: visitlanai@aol.com · website: www.visitlanai.net

wakai1-Karen

From: Al Santoro [asantoro@hawaii.rr.com]
Sent: Tuesday, January 29, 2008 2:27 PM
To: EDBtestimony
Subject: Testimony

Aloha Committee on Economic and Business Development,

I am submitting testimony in favor of HB2228 - An Appropriation for Community-Based Economic Development. I am President of the Hawaii Co-op of Organic Farmers (HICOF); our association has received CBED funds in the past for our business planning and execution of direct support to organic farmers. We have never received the amount requested due to insufficient funds being available which has led to less than desirable results and the need to submit follow-on requests. For many of the smaller associations such as HICOF, CBED is our primary supporter as other sources require significant "matching" funds which we do not have. Please consider this additional CBED funding for the sake of us smaller associations...mahale...Al Santoro, Pres, HICOF, 637-4555

wakai1-Karen

From: Richpezz@aol.com
Sent: Tuesday, January 29, 2008 4:28 PM
To: EDBtestimony
Subject: Testimony

January 29, 2008

Statement by Richard Pezzulo
Executive Director, Empower Oahu

HB 2228 RELATING TO COMMUNITY-BASED ECONOMIC DEVELOPMENT.
Appropriates \$500,000 into the Hawaii community-based economic development revolving fund to financially assist qualifying community-based organizations statewide.

Submitted to: Committee on Economic Development and Business Concerns

Rep. Kyle T. Yamashita, Chair
Rep. Glenn Wakai, Vice Chair

Testimony:

Chair Yamashita, Vice Chair Wakai and members of the House Committee on Economic Development and Business Concerns, thank you for the opportunity to provide testimony in support of HB2228, which would appropriate funds to the Community-Based Economic Development Program of the State Department of Business, Economic Development, and Tourism for the purpose of providing low interest loans and grants to qualifying community-based organizations involved in economic development activities..

Empower Oahu (EO), a 501(c)3 organization, was established as a result of the 1998 and 2001 Empowerment Zone (EZ) application process that united nine communities around a common goal of improving economic conditions for Oahu's most economically distressed areas. EO was formed to support the individual Empower O`ahu CIGs as they further develop and implement their strategic plans prepared as part of the EZ process.

Empower O`ahu is made up of the following communities; Aiea, Kalihi-Palama-Chinatown, Papakolea, Ewa, North Shore, Wai`anae, Waimanalo, Wahiawa, and Waipahu. These communities are known as Community Implementation Groups (CIGs) and are responsible for implementing strategic plans, developed by each community, outlined in the EZ application.

Empower Oahu communities have been implementing a wide range of economic development activities resulting in the establishment of business support services for the creation of jobs and micro-enterprises for low income individuals. The CBED program has been an important partner in achieving member community economic development goals. EO and many of its community member organizations have received CBED support for capacity building and establishing economic development programs.

Empower Oahu urges the State to support the funding for the CBED program because this program will help EO and other communities to:

- increase the capacity of our community-based organizations to support sustainable economic and community development initiatives; and
- increase employment and economic opportunities for residents in low income communities by expanding and strengthening our economic base through business and industrial development.

Empower Oahu communities have made economic development progress over the past six years, but many of our communities have much more to achieve with the revitalization of their economies and communities. They require additional support and assistance, such as can be provided through the CBED program.

Empower Oahu is in full support of HB2228 and urges your favorable consideration and passage of this important Bill.

Thank you for your time.

Sincerely,

Richard Pezzulo
Executive Director

Start the year off right. [Easy ways to stay in shape in the new year.](#)

wakai1-Karen

From: KipuKai Kualii [kipukai.kualii@gmail.com]

Sent: Tuesday, January 29, 2008 12:00 PM

To: EDBtestimony; FINtestimony

Subject: Testimony: Support for HB 2228

Kipukai Kualii; Project Coordinator / AKAMAI Mahi`ai Project, Founding Co-Chair / Na Kama`aina `Ohana, Treasurer / Hawai`i Alliance for Community Based Economic Development, Boardmember / Hui Kako`o `Aina Ho`opulapula (DHHL), Member / CNHA Policy Steering Committee

TO: EDB & FIN committees

EDB hearing date and time: January 31, 2008 8:30am

Measure number: HB 2228

Aloha Legislators!

I am a Community Organizer with a passion for economic development. I wear several hats and put in countless volunteer hours in the struggle for the working class poor, for Native Hawaiians and for all those in underserved and struggling communities.

Please support HB 2228 and please support additional ways for bringing additional resources to community-based organizations throughout our state.

MAHALO!!!

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Me ka ha`aha`a,
KipuKai

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