



HOUSE OF REPRESENTATIVES
THE TWENTY-FIFTH LEGISLATURE
REGULAR SESSION OF 2009
HB1207, Relating to Community-Based Economic Development

HOUSE COMMITTEE ON FINANCE

Rep. Marcus R. Oshiro, Chair
Rep. Marilyn B. Lee, Vice Chair

Monday, March 3, 2009

10:30 a.m.

Room: 308

The Office of Hawaiian Affairs (OHA) **SUPPORTS** HB 1207, which would make technical revisions and other significant updates to sections of Chapter 210D, Hawaii Revised Statutes, which created the Hawaii Community-Based Economic Development (CBED) Program, the Hawaii Community-Based Revolving Loan Fund, and the CBED Advisory Council.

The amendments proposed in the current version of HB 1207 will increase the ability of the Hawaii CBED Program to meet the evolving needs of non-profit community-based organizations engaged in CBED activities by:

- Expanding access to funding for CBED projects through the introduction of language into Section 210D-4, Hawaii Revised Statutes, that would permit moneys received by the Revolving Loan Fund from other sources aside from those currently identified to be available for use according to the purposes of this chapter of the Hawaii Revised Statutes;
- Allowing the CBED Council to approve grants or loans from the revolving fund moneys that are not already appropriated without requiring that a certain percentage or dollar amount be designated for CBED loans in particular;
- Increasing the impact of the program by reducing the maximum loan size from \$500,000 to \$250,000, thereby allowing the Hawaii CBED Program to disburse its limited resources over a greater number of communities and at the same time better leverage funding;
- Increasing the likelihood of repayment for future loans made by the Hawaii Community-Based Revolving Loan Fund by lowering the interest rate from 10% to 6%;
- Clarifying certain misleading or ambiguous language, such as the language defining “community of interest,” so that the potential beneficiaries of this program can better understand their eligibility.

Improving the Hawaii CBED program’s ability to leverage resources and develop sustainable projects is especially critical during this period of economic instability. As is evidenced by our continued commitment of resources to CBED projects across Hawaii, OHA strongly believes in the transformative power of the CBED model, and we approve of this current effort to revise the current Hawaii CBED Program to better meet the needs of our people.

OHA urges the Committee to PASS HB 1207. Thank you for the opportunity to testify.

LATE TESTIMONY



KONA PACIFIC FARMERS COOPERATIVE

Processors of World-Famous Kona Coffee & Macadamia Nuts

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March 2, 2009

Honorable Marcus Oshiro, Chairperson
And Committee Members
House Finance Committee
State Capitol, Room 308
415 South Beretania Street
Honolulu, HI 96813

Dear Chairperson Oshiro and Members:

RE: In Support of House Bill No. 1207, Relating to Community Based Economic Development

Kona Pacific Farmers Cooperative, with more than 300 farming member on the Kona Coast, is writing **in support of HB. 1207** and the Community Based Economic Development (CBED) Program.

As a former Community-Based Economic Development Program grantee on the Island of Hawaii, we have first hand knowledge of the efforts that have been made by the CBED Program in facilitating and assisting community entrepreneurship throughout our State.

The CBED Program leverages limited State resources to develop sustainable projects within a community. The economic development programs that are funded by CBED grants provide hope and strengthen community relationships. It is truly a grass-roots effort that encourages and supports residents becoming engaged in the long term stability of the community in which they reside.

Because of the State's budgetary shortfalls, it is vital that the CBED Program be provided the flexibility to:

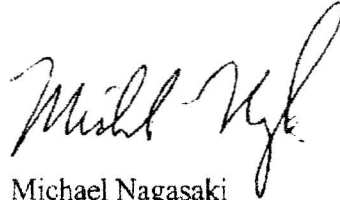
1. Access additional funding from other sources besides the State's General Fund and deposit these funds into the CBED Revolving Fund;
2. Provide from smaller loans amounts and reduce the interest rates on such loans; and
3. Serve a broader network of people by clarifying the definition of "community of interest" to mean a group of people who may not live in the same geographic area, but who are bound together through common economic interest.



During this period of economic instability and uncertainty, the CBED Program continues to provide a cost-effective approach in developing strong, reliable, stable and self-sufficient communities.

We humbly ask for your support of the CBED Program and the passage of HB No.1207.

Thank you.



Michael Nagasaki
Project Manager