



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

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Statement of
LUIS P. SALAVERIA
Director

Department of Business, Economic Development, and Tourism
before the

HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS

Wednesday, February 7, 2018
9:30 a.m.

State Capitol, Conference Room 309

in consideration of
HB 2333

**RELATING TO THE HAWAII COMMUNITY-BASED ECONOMIC DEVELOPMENT
TECHNICAL AND FINANCIAL ASSISTANCE PROGRAM.**

Chair Evans and Vice Chair Keohokalole, and Members of the Committee. The Department of Business, Economic Development, and Tourism (DBEDT) strongly supports HB 2333, an administration bill. This measure authorizes DBEDT to deposit moneys it receives from the repayments of loans and payments of interest or fees from three DBEDT legacy small business loan programs into the Hawaii Community-based Economic Development (CBED) Revolving Fund.

The Hawaii Capital Loan Program, the Hawaii Large Fishing Vessel Purchase, Construction, Renovation, Maintenance, and Repair Loan Program and the Hawaii Small Fishing Vessel Loan Program have been inactive since the repeal of the three programs' revolving funds. This bill would allow DBEDT to deposit any recoveries from outstanding loans into the CBED Revolving Fund, to be used to make loans and grants to small businesses that will result in positive community economic impacts.

The Community-based Economic Development (CBED) Program addresses the needs of Hawaii's most socially and economically challenged regions and demographic groups through community-supported economic development projects. By stimulating business activity and

creating jobs, the CBED program improves the economic environment and standard of living in some of Hawaii's most vulnerable communities, particularly those in rural areas of the State.

The Hawaii Capital Loan Program, the Hawaii Large Fishing Vessel Purchase, Construction, Renovation, Maintenance, and Repair Loan Program and the Hawaii Small Fishing Vessel Loan Program shared similar missions with the CBED program, in that they are all economic development programs designed to assist small businesses and positively impact their communities.

The CBED program has been in existence for almost 25 years. Throughout its history, it has assisted over a thousand organizations with grants, loans and technical assistance and created numerous jobs and assisted vital community-based entities of our economy to grow and become sustainable.

Thank you for the opportunity to provide testimony.



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February 7, 2018

HEARING BEFORE THE
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS

TESTIMONY ON HB 2333
RELATING TO THE HAWAII COMMUNITY-BASED ECONOMIC DEVELOPMENT
TECHNICAL AND FINANCIAL ASSISTANCE PROGRAM

Room 309
9:30 am

Aloha Chair Evans, Vice Chair Keohokalole, and Members of the Committee:

I am Randy Cabral, President of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,900 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interests of our diverse agricultural community.

The Hawaii Farm Bureau is in support of HB 2333, which authorizes the Department of Business, Economic Development, and Tourism to deposit moneys it receives from the repayments of loans and payments of interest or fees from the Hawaii capital loan program in chapter 210, the Hawaii large fishing vessel purchase, construction, renovation, maintenance, and repair loan program in chapter 189, and the Hawaii small fishing vessel loan program in chapter 189, into the Hawaii community-based economic development revolving fund.

The community—based economic development (CBED) program addresses the needs of Hawaii's most socially and economically challenged regions and demographic groups through community—supported economic development projects. By stimulating business activity and creating jobs, the CBED program improves the economic environment and standard of living in some of Hawaii's most vulnerable communities, particularly those in rural areas of the State.

Thank you for the opportunity to testify on this measure.

Board Members

President

Jason Okuhama
Managing Partner,
Commercial & Business Lending

Secretary

Marcus Kawatachi
Deputy Director,
Hawai'i Civil Rights Commission

Trina Orimoto
Clinical & Research
Psychologist

Kaipo Kukahiko
Executive Director,
KEY Project

Miwa Tamanaha
Deputy Director,
Kua'āina Ulu 'Auamo

HACBED Staff

Brent N. Kakesako
Executive Director

Keoki Noji
Chief Operating Officer

Athena T. Esene
Bookkeeper & Office Manager

Will Simmons
Food System Specialist

Foley Pfalzgraf
AmeriCorps VISTA

Alex Narrajos
AmeriCorps VISTA

Date: February 6, 2018

To: Representative Cindy Evans, Chair, Representative Jarret Keohokalole, Vice-Chair, and members of the Committee on Economic Development and Business

From: Brent Kakesako, Hawai'i Alliance for Community-Based Economic Development (HACBED)

Re: Support for HB2333

Aloha Chair Evans, Vice-Chair Keohokalole, and Committee Members,

The Hawai'i Alliance for Community-Based Economic Development (HACBED) supports HB2333, which authorizes the Department of Business, Economic Development, and Tourism (DBEDT) to deposit money it receives from the repayments of loans and payments of interest or fees from three DBEDT legacy small business loan programs into the Hawai'i Community-Based Economic Development (CBED) Revolving Loan Fund.

HACBED was established in 1992 as a nonprofit statewide intermediary to address social, economic, and environmental justice concerns through community-based economic development. It advances its mission with core competencies in the areas of community and organizational capacity building, community and economic development planning, and asset policy development and advocacy. HACBED has historically been intertwined with the CBED Program as many of HACBED's Founders were involved with the creation of the CBED Program and served on the Advisory Council and/or received grants and loans to plan, implement, and enhance their projects in the community.

HB2333 would allow DBEDT to deposit any recoveries from outstanding loans in the CBED revolving fund, to be used to make loans and grants to small businesses that will result in positive community economic impacts. The CBED Program was founded to support bottom-up economic development initiatives in which communities drive economic development opportunities that fit their gifts and resources. These initiatives would supplement more centralized or top-down approaches to ensure communities had choice and control in terms of what happens in their communities around economic development.

The three inactive programs, the Hawai'i Capital Loan Program, the Hawai'i Large Fishing Vessel Purchase, Construction, Renovation, Maintenance, and Repair Loan Program, and the Hawai'i Small Fishing Vessel Loan Program share similar missions with the CBED Program as they are all economic development programs designed to provide assistance and support to businesses that positively impact their communities. As such, depositing any recovered money from these programs would continue the support they offer in the CBED Program, which has been in existence for almost 25 years and continues a legacy of supporting community-based organizations across the state.

Please let me know if you may have any additional questions at (808)550-2661 or bkakesako@hacbed.org.

Mahalo for this opportunity to testify,

Brent N. Kakesako
Executive Director

TESIMONY

Consideration of Support for

HB 2333

Aloha Chrm Evans Vice Chrm Kealohilani and members of the committee of Economic Development and Business.;

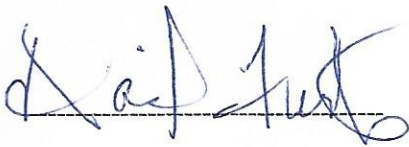
For the past 2 5 years CBED programs (grants & Loans) has contributed to the success over thousands of community organizations and small businesses in building our State's economy as well as building capacity statewide.

My name is David Fuertes from North Kohala; former DOE Agriculture Teacher for 35 years, presently Executive Director for "Kahua Pa'a Mua" 501c3, Rancher, and future Co-Owner of "Kohala Meats and Deli."

As past Chrm and member of the CBED Advisory Council for 8 years, I have seen their struggles and progressive reduction in funding which lessen the assistance in CBO (Community Base Organization) grants and small business loans.

By depositing chapter 210 and and 189 into CBED , it will increase the assistance of CBED mission and purpose. I would like to see CBED grants programs return in helping non-profits thrive. This probably would reduce the Legislative GIA applications which is very competitive.

Mahalo for the opportunity to provide testimony. Humbly ask your support of HB2333.

A handwritten signature in blue ink, appearing to read "David Fuertes", written over a horizontal line.

David Fuertes

HB-2333

Submitted on: 2/6/2018 2:59:01 PM

Testimony for EDB on 2/7/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Joseph Lapilio	Waianae Economic Development Council	Support	No

Comments:

Good morning and thank you for this opportunity to provide **testimony in support of HB2333**. The Community-Based Economic Development (CBED) Program and its Revolving Fund assists small businesses in helping to provide positive impact on our community. The CBED Program specifically addresses the needs of our most socially and economically challenged communities through community supported economic development projects. The CBED Program has been a significant help in developing economic development initiatives on the Waianae Coast. The **Waianae Economic Development Council supports this bill** and encourages support from this committee. Thank you.