

**SB 91**

**EDT**

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## HACBED Staff

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## Senate Committee on Economic Development and Technology

Friday, February 6, 2009 at 1:15 p.m.

Conference Room 016

**SB91 – SUPPORT**

## RELATING TO COMMUNITY-BASED ECONOMIC DEVELOPMENT

Chair Fukunaga and committee members

Thank you for the opportunity to provide testimony in **SB 91** which would:

- Authorize the Hawaii community-based economic development revolving fund to receive funding from any source;
- Repeal prohibition on reallocation of funds from loan program to grant program;
- Reduce the maximum interest rate on loans from 10% to 6%;
- Reduce limit on applicant's total loan balance from \$500,000 to \$250,000

The Hawai`i Alliance for Community-Based Economic Development (HACBED) is a statewide 501(c) 3 organization established in 1992 to encourage increased investments in sustainable and community-based approaches to economic development. Our mission is to address social, economic, and environmental justice in Hawai`i through community-based economic development.

HACBED is confident that **SB 91** will not only remove barriers for community-based economic development projects, but will also increase the state's ability to respond to the needs of Hawaii's communities' through increased opportunities for community-based ventures. The introduction of **SB 91** comes at a critical time in Hawaii's economic history, dovetailing four important changes to current HRS culminating in greater financial flexibility on the part of the Hawaii community-based economic development revolving fund and providing greater incentives for communities-based organizations to grow their mission and expand their services and reach.

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.

We pursue our mission by helping community-based economic development organizations (CBEDOs) 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 **SB 91** 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,

Brent Dillabaugh  
Policy Director



February 5, 2009

Chair Carol Fukunaga  
Committee on Economic Development and Technology  
Hawaii State Senate  
State Capitol, Room 016  
Honolulu, HI 96813

RE: Senate Bill 91, Relating to Community-Based Economic Development

Dear Chair Fukunaga and members of the Senate Economic Development and Technology Committee:

On behalf of the Hawaii Alliance of Nonprofit Organizations (HANO), I would like to express full support of SB 91.

While much of the bill language makes technical clarifications to the HRS chapter governing CBED activities and allows for more favorable conditions for loaning and granting CBED monies, we are most supportive in particular of the modification that allows the CBED revolving fund to receive additional revenue from other sources besides the state general fund. The additional leveraged resources to be secured from federal and private foundation sources will be distributed to community groups at a time when state support is diminishing and the need for economic development and stimulus is at its greatest.

HANO unites and strengthens the nonprofit sector as a collective force to improve the quality of life in Hawaii. It works in the areas of leadership and convenings; advocacy and public policy; research and information; communications; professional development; and products and services for its members to ensure best practices and standards of excellence in the nonprofit sector.

As a past grant recipient of CBED, we can attest to the impact that CBED support had on our ability as a statewide nonprofit sector intermediary to provide economic development and build capacity in the nonprofit community on all major islands.

We look forward to your favorable consideration of this bill. Thank you for the opportunity to provide written testimony.

Mahalo,  
Lisa Maruyama  
President and CEO

**TESTIMONY IN SUPPORT OF**

**SENATE BILL 91**

**RELATING TO COMMUNITY-BASED ECONOMIC DEVELOPMENT**

Honorable Chair Fukunaga, Vice Chair Baker and Committee Members, Aloha!

I am Shirley Swinney and serve as President for the Malu'ohai Residents Association a Hawaiian homestead community of 226 families. My testimony is in **support** of Senate Bill 91 relating to community-based economic development.

CBED has provided invaluable support to our community as we strive to improve our neighborhood and larger community. SB91 will update and improve the provision of CBED services by permitting CBED to access additional funds from other sources and by making technical and housekeeping revisions to Chapter 210D, HRS. This will permit CBED more flexibility to serve a broader network of communities.

I ask for the support of the Economic Development and Technology Committee leadership and its committee members to vote in favor of Senate Bill 91.

Yours truly,

*Shirley Swinney*

Shirley Swinney