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Statement of  
**LUIS P. SALAVERIA**  
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Department of Business, Economic Development, and Tourism  
before the

**SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TOURISM, AND  
TECHNOLOGY**

Monday, February 13, 2017  
1:15p.m.  
State Capitol, Conference Room 414

in consideration of  
**SB 900**

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

Chair Wakai, Vice Chair Taniguchi and Members of the Committee. The Department of Business, Economic Development, and Tourism (DBEDT) strongly supports SB 900, an administration bill. This measure will support DBEDT's efforts to assist Community-Based Economic Development (CBED) initiatives in the State's overall economic development strategy. Community-based organizations are normally rurally-located and serve the distressed areas of our State. Many community-based organizations embark upon economic development activities in order to finance their worthy goals. This bill will allow DBEDT to help more community-based organizations achieve their economic development objectives by amending Ch. 210D-2, 5, and -11.

Under CBED's current statute, the definition of "community-based organization," is limited to organizations that are "membership-based" nonprofits in order to participate in CBED grant and technical assistance programs. However, there are a number of nonprofit organizations active in community-based economic development that are not "membership-based." This bill enables the CBED program to assist qualified non-profit organizations to participate in CBED programs.

The CBED Advisory Council has had difficulty meeting due to a lack of a quorum. By reducing the number of members from 12 to 10, it will be easier to schedule meetings and comply with quorum requirements.

Technical assistance is an important component in enabling community-based organizations to be successful in their missions, including economic viability. Expanding CBED grantee qualifications to include organizations providing technical assistance to community-based organizations will allow DBEDT to better assist in the success and viability of these community-based organizations.

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 in the process. With the proposed changes in the statute, the CBED program of DBEDT can assist Hawaii's vital community-based entities to grow and become more sustainable.

Thank you for the opportunity to provide testimony.