



YEARLY ACTIVITY PLAN (YAP) - FY '08

Division/Attached Agency: Strategic Marketing and Support Division

Program Name: Community-Based Economic Development Program

Program ID: BED 100

I. PROGRAM PLANNING

Problem, issue or opportunity statement: Describe the problem(s), issue(s) and/or opportunity(ies) your program is attempting to respond to. Identify the participants (individuals, companies, industry sectors, etc.) engaged in this problem, issue and/or opportunity.

CBED Mission Statement: *"A successful community-based economic development project integrates a community's vision with the realities of economic viability. The CBED Program provides training and capacity-building opportunities, and invests in community economic development projects that result in measurable economic impact."*

Problems & Issues the CBED Program addresses Include:

- Indifference of government and the private sector for economic renewal in communities.
- Lack of a self-help approach toward both social and economic renewal.
- Lack of government support for planning of community-based economic development through a "bottom-up approach."
- Decision-makers lack adequate information to make the right decisions regarding policies and actions affecting community growth and development.
- Negative effects from traditional models of economic development on local resources and culture.
- The State lacks specialized local knowledge and relationships to promote program objectives.

Need and partners: Specify the need for government intervention. Provide supporting evidence. Identify any partners you will be working with to address the problem, issue and/or opportunity.

The Federal government increasingly recognizes the efforts of communities to plan and implement community-based economic development initiatives.

In 1998 the Federal government developed the Empowerment Zone (EZ) Program to award federal funds for implementation of community-based plans. Hawaii's communities have taken the initiative to apply for EZ funds as a resource for planning their future.

State government needs to be more involved in the support and planning of community-based economic development at the grassroots and nonprofit level. Community nonprofits and the community-based economic development movement they support, are Hawaii's fourth largest economic sector. In 2002,



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Hawaii ranked 19th among the 50 states in the number of nonprofits in existence. Hawaii's nonprofit sector is growing at a faster rate than the rest of the nation. There are more nonprofits per capita than the national average and the number of Hawaii nonprofits grew by roughly 50 percent between 1992 and 1999.

The nonprofit sector is an important contributor to Hawaii's economy. Employment, revenues, and growth has outperformed other industries during the past decade. The sector represents more than 9% of total employment and 10% of total payroll for Hawaii. It is the fourth largest employer behind Government, Services, and Retail Trade.

The nonprofit sector has unique advantages that allow it to complement, but not substitute for, State government. This includes special community networks and knowledge, the ability to innovate, leverage private resources, and weather electoral cycles.

Given the strengths of nonprofits, the State should focus on utilizing them when one or more of the following applies: (1) rapidly changing community conditions require flexibility or innovation;; (2) a long-term approach beyond electoral cycles is required; and (3) private funding or volunteer labor can cut costs.

The CBED Program is an important resource for Hawaii's non-profit sector, providing:

A) CBED helps communities as they develop new projects and plans through the EZ application processes. CBED is a primary contact between Hawaii's communities and the state government. DBEDT and CBED need to meet the growing demand for support as communities throughout Hawaii continue to plan and create economic development projects.

B) State government has four primary points of contact with the nonprofit sector: as a coordinator and planner of public services, a customer of nonprofit services, a provider of business and industry support, and controls regulation and taxation.

CEBD Partners:

Federal: Economic Development Administration (EDA), HUD, USDA, USDA-Rural Development, Administration for Native Americans (ANA)

State: Dept. of Agriculture (DOA), Hawaii Tourism Authority (HTA), Dept. of Hawaiian Home Lands (DHHL), Office of Hawaiian Affairs (OHA), Office of Community Services (OCS);

County: Hawaii County R&D, Economic Development Offices of all counties;

Private: Alexander & Baldwin Foundation, Consuelo Zobel Alger Foundation, Hawaii Community Foundation, Queen Lilioukalani Children's Center, Bank of Hawaii (CRA), American Savings Bank (CRA).

Desired results (outputs, outcomes and impacts): Identify desired results, what success will look like, by describing what you expect to achieve near (0-2 years) and long-term (2-6 years).

Outputs:

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-Undertake short, medium and long-term action.

-Technical Assistance.

-Capacity Building.

-Make grants and loans to community-based organizations (CBOs).

-Facilitate the community to become self-sufficient and self-reliant.

Outcomes:

-Development of economically viable, traditional or community-based businesses in Hawaii.

-Local skill level and capacity of the community to become more economically self sufficient.

-Financing plant construction, conversion, expansion, equipment, machinery, supplies, or materials, or for working capital.

-Provide communities with the necessary resources to take responsibility for themselves and create conditions which serve social and economic development

Impacts:

-Improve coordination between communities and state government.

-Improve state and federal policies, programs and support for community-based economic development.

..-Improve the conservation, effectiveness and utilization of community resources.

.-Government and communities respond effectively to socioeconomic crisis at the local level.

.-Reverse the process of social and economic decline and stimulate growth in local communities.

Influential Factors: List the factors you believe will influence your ability to impact the problem or opportunity. (Things that support success and barriers to success.)

- Department funding (Budget)
- Legislative funding (Bill)
- Program ability to form partnerships / collaborative efforts
- State of the economy
- DBEDT priorities / goals
- Land Use policy

Strategies: List the general successful strategies or "best practices" that have helped other programs

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achieve the kind of results your program promises.

CBED differs from other theories of economic development by emphasizing increased community control over its own economic resources through the establishment of community institutions. The CBED Program:

- (1) Assists in the creation, development and empowerment of nonprofit, community-controlled organizations.
- (2) Builds the skill level or capacity of the community to become more economically self-sufficient.
- (3) Nurtures community-based organizations (CBOs) to create viable economic ventures and reduce the dependence on social service programs.

Assumptions: State the assumptions behind *how* and *why* the change strategies you have identified will work.

Theory of Change:

Conditions or resources that our program believes are needed for success, and that we believe already exists and will not be problematic. An assumption like a [precondition](#) is a condition that is necessary for our program's success. Unlike a precondition, it already is in place and does not need to be brought about. When we state our assumptions, it is a good time to take into account the various conditions that our program's success will rely on. Assumptions are crucial because if they are incorrect it can completely alter how your program works.

The key characteristic of a healthy community economic development program is a long-term vision that encompasses individual projects that are economically feasible and self-sustaining, which cumulatively improve the community as a whole.

II. PROGRAM IMPLEMENTATION

Resources: Describe the resources or influential factors available to support your program.

- CBED Revolving Fund (Legislature and DBEDT appropriations).
- Skilled/knowledgeable staff.
- CBED Advisory Council.
- Legislative contacts / network
- Community Network – Community-Based Organizations, Technical Assistance Providers, Private Industry, Federal Government Agencies.

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Activities: Describe each of the activities you plan to conduct within your program.

Provide Financial Assistance: Grants & Loan

- Accept and review grant applications from qualified community-based organizations.
- Preference and priority given to grant and loan proposals that:
 - (a) Have a majority ownership by community residents.
 - (b) Have a majority of employees who are residents of the community.
 - (c) Possess a demonstrated business plan, strategic plan, or feasibility analysis to utilize and sustain the available resources within the community.
 - (d) Can adequately demonstrate their conformance with the community's definition of cultural and environmental acceptability.
 - (e) Can demonstrate the potential for economic viability while generating socioeconomic benefits for the community.
 - (f) Provide for community empowerment through the use of a strategic plan or other process that reflects community values, goals, and vision.
- Develop Letters of Agreement (LOA) for approved grants.
- Review and revise grant application to include additional information to improve reporting process. Convene scheduled meetings of the Community-Based Economic Development Advisory Council to review and recommend approval for funding.
- Monitor Grant Agreements
- Review LOA deliverables in the form of Action & Expenditure Plans, Progress Reports and Final Reports.

Review and initiate the Administrative Rules process to update CBED rules

Provide Technical Assistance: Workshops & Conferences

- Co-sponsor Annual Native Hawaiian Conference
- Co-sponsor Hawaii Alliance for Community-Based Economic Development (HACBED): Community Connection Training Workshops.
- Work with Volunteer Legal Services Hawaii (VLSH) to develop legal assistance and capacity-building workshops statewide to nonprofits.

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- Staff outreach to all islands – Help link / network private sector and nonprofit community sector.
- Co-sponsor Empower Oahu statewide workshops for enterprise development.

Inform Public About the Program

- Develop and advertise through print media (Neighbor Island Dailies and Star Bulletin) a Notice Of Funding Availability (NOFA)
- Partner with UH Manoa- Department Urban and Regional Planning (DURP) to continue an evaluation/marketing analysis of CBED and create new marketing materials.
- Complete FY 2007 CBED Annual Report.
- Update CBED website.
- Update CBED Strategic Plan – Convene CBED Advisory Council / CBED staff.
- Develop DVD presentation materials for CBED – directed at specific target markets.
- Staff outreach. Meet with existing, new and potential grant and loan applicants to explain program and funding process.
- Utilize marketing and informational materials to conduct program workshops on all islands for local CBOs (ie, chamber of commerce, economic development boards, HANO)
- Utilize network / county economic offices to bring CBOs together.

Outputs: For each program activity, identify what outputs you aim to produce

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Activity	Output	Program Objectives (Short-Term Outcomes)	Program Goals (Long-term Impact)
Provide financial assistance: grants & loans	167 Grants 10 Loans	Participatory decision-making	Socio-economic benefits for communities.
	2007 – 139 FTE (New) 100 PTE (New) 16 Retained 1,886 Total Full & Part-time jobs created	Development of plans	
	2007 – 61 (New) 151 (Expanded) 1190 Businesses Created/Expanded for years 1991-2007	Empowerment	
	11:1 Funding Leverage	Strategic Planning	
		Community Benefits	
		Capacity-building	Development or expansion of businesses.
Provide technical assistance: workshops & conferences	2007 – 16 Workshops 180 Participants 2 Conference 850 Participants 250 Organizations Total: 206 Workshops 2,892 Participants 9 Conferences 3,275 Participants	Capacity-building	Create economic opportunities.
	Outreach	Leadership development	
	Partnerships Created	Development of business & organizational skills	
	Annual Report	Networking	Create jobs.
	Funders Directory		
Review grant applications	2007 - None 25 Grants reviewed per year (Average)	Award Grants based on set criteria.	
Monitor grant agreements	2007: 17 Grants 36 Grants administered/yr. (Avg.)	Timeliness & Efficiency	Develop self-sufficient organizations.

Note: This form was created using the *W. K. Kellogg Foundation Logic Model Development Guide, January 2004.*

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Inform public about CBED Program	Newspaper Advertisements	Support community-based organizations that want to create community economic development opportunities.	
	Plan/design brochures		
	News stories, Articles		
	Develop promotional events		

Outcomes: Identify the short-term (0-2 years) and long-term (2-6 years) outcomes you expect to achieve.

Outcomes:

- Development of economically viable, traditional or community-based businesses in Hawaii.
- Local skill level and capacity of the community to become more economically self sufficient.
- Financing plant construction, conversion, expansion, equipment, machinery, supplies, or materials, or for working capital.
- Provide communities with the necessary resources to take responsibility for themselves and create conditions which serve social and economic development community goals.

Impact: Describe the lasting impact you anticipate.

Impacts:

- Improve coordination between communities and state government.
- Improve state and federal policies, programs and support for community-based economic development.
- ..-Improve the conservation, effectiveness and utilization of community resources.
- .-Government and communities respond effectively to socioeconomic crisis at the local level.
- .-Reverse the process of social and economic decline and stimulate growth in local communities.

III. PROGRAM EVALUATION

Focus Area: From your program logic model, list the components of the most important aspects of your program.

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- Provide Financial Assistance: Grants & Loans.
- Provide Technical Assistance: Workshops & Conferences.
- Inform the Public About the Program

Audience: Identify the key audiences for each focus area. Who has an interest in your program?

Provide Financial Assistance: Grants & Loans: Community-based non-profit organizations, Federal, State, County Agencies and Private Industry funding sources, Legislature, Native Hawaiian groups, Ethnic organizations, Faith-Based organizations, agricultural and other cooperatives.

Provide Technical Assistance: Workshops & Conferences: Technical Assistance Providers, Community-Based non-profit organizations, Federal, State, County agencies, Legislature, Native Hawaiian groups, Ethnic organizations, Faith-Based organizations, agricultural and other cooperatives.

Inform the Public About the Program: Community-based non-profit organizations, Federal, State, County Agencies and Private Industry funding sources, Legislature, Native Hawaiian groups, Ethnic organizations, Faith-Based organizations, agricultural and other cooperatives.

Questions: For each focus area and audience, list the questions they may have about your program.

Provide Financial Assistance: Grants & Loans:

- What types of business or activities have started due to CBED assistance?
- To what extent are the businesses or activities economically viable?
- To what extent have the CBED grants and loans helped community-based organizations (CBOs) to build the skill level and capacity of its community or organization?
- How did the CBO receiving financial assistance improve its organization and community's social condition?
- For every grant awarded, what is the return on investment?
- Is the program well funded? Has the program been subject to imposed budget restrictions?

Provide Technical Assistance: Workshops & Conferences:

- To what extent has a CBED workshop/conference built or developed a community or CBOs skill level or capacity?

Inform the Public About the Program:

- How is the public informed about CBED?

Information Use: For each audience and question you have identified, identify the ways you will use the evaluation information.

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Questions provide data on CBED’s characteristics and merits. Questions will be used to guide the planning and future goals of the program. Indicators will be used as measures for the program’s outcomes. Evaluation questions focus on the program’s goals, activities, organization effectiveness, cost-benefit, and environment.

Indicators: Describe what information can be collected that would convey the status of your program.

Provide Financial Assistance: Grants & Loans:

- Number and types of businesses started.
- Number of jobs created or maintained.
- Number of CBOs still in existence.
- Number of businesses or CBOs generating sustainable revenue.
- Perceptions of organizations as to whether their businesses/projects are viable.

Provide Technical Assistance: Workshops & Conferences:

- Number of participants whose business skills or knowledge have further developed due to the workshop.
- Number of participants who received a grant or loan due to assistance from the workshop.
- Number of increased membership.
- Number of CBOs that increased the role of active members.
- Number of organizations that formed partnership or networking opportunities.
- Number that secured matching funds.

Inform the Public About the Program:

- Newspaper Advertisements.
- Through other CBOs.
- Brochures.
- Other programs and/or agencies.
- Stories / Articles
- Promotional Events

IV. ALIGNMENT

How is your program linked to DBEDT’s six strategic objectives?		
1.		Workforce Housing
2.	X	Workforce Development
3.		“Energy For Tomorrow”

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4.		“Global Links/Export of Goods and Services”
5.	X	The Creation Of An “Innovation Infrastructure”
6.	X	Improve Hawaii’s Small Business Environment

If your program is not linked to any of the six objectives, explain why it is still important.