

TO: Honolulu City Council

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REGULAR MEETING: Wednesday, January 30, 2013, 10 a.m.

SUBJECT: Bill 4 Grants in Aid Fund

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CITY CLERK  
HONOLULU, HAWAII

Aloha Members of the Honolulu City Council,

Thank you for this opportunity to provide testimony regarding Bill 4, which would create a grants in aid fund, set up an advisory commission, and specifies the selection process. I have three significant concerns about this bill.

1. It refers generically to tax exempt organizations rather than "charitable" organizations;
2. It creates a new commission; and
3. Projects are ultimately selected by councilmembers via the budgeting process.

There are many different types of exempt organizations, some of which are for the benefit of members or use a significant amount of funds for lobbying efforts. While the charter amendment related to this fund did not specifically indicate the type of organization that would receive funding, many assumed it would be charitable organizations only. The type of exempt organization should therefore specifically state "charitable" or make reference to the Internal Revenue Code 501(c)(3) under which charitable organizations are recognized as exempt.

We already have a CDBG and HOME selection committee, why is a new commission being considered for this fund? It would be more efficient to simply use that committee.

Item (d) of the bill indicates that "the council shall select the projects to be funded" during the budgeting process. The budgeting process is very complex; the selection of the projects should not be made this way.

Please either make amendments to this bill to address these concerns or vote "no."