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OFFICE OF ECONOMIC REVITALIZATION
KE KE'ENA HO'OMOHALA WAIWAI
CITY AND COUNTY OF HONOLULU

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June 2, 2026

The Honorable Tommy Waters
Chair and Presiding Officer
and Members
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawaii 96813

Dear Chair Waters and Council Members:

SUBJECT: Bill 22 (2026), CD2 proposed FD1 Relating to the Executive Operating Budget

Thank you for the opportunity to submit testimony regarding the Fiscal Year 2027 budget for the Office of Economic Revitalization (OER).

Continuation of Critical Economic Development for O'ahu

OER respectfully requests the City Council to restore funding for the Office as requested for FY27. Elimination of OER would force the City to:

1. **Dismantle all City-led small business support**. This includes the O'ahu Business Connector, preventing $750,000 in federal and state funds from reaching small businesses; the Idea2Biz Small Business Incubator, canceling the planned 2026 Ko'olauloa cohort; Kona Low disaster recovery grants, jeopardizing $4 million in state funding for storm-impacted businesses; and a newly launched micro-loan program offering up to $200,000 for early-stage entrepreneurs.
2. **Eliminate City support for local agriculture.** Ending efforts to expand local markets and supply chains for O'ahu farmers, eliminating a $500,000 farmers' market initiative, and reducing disaster recovery support for farmers affected by the Kona Low storms weakens our agricultural sector, which jeopardizes our island's food security and increases reliance on imported food.
3. **Severely damage workforce development initiatives**. OER currently manages programs such as the $5 million Good Jobs O'ahu initiative, which has helped nearly 6,000 residents increase household income through training in healthcare, clean energy, technology, and other high-demand fields. These pathways towards productive employment would be eliminated.
4. **Eliminate the City's economic planning and coordination capacity.** The City would lose its ability to convene partners, compete for federal and private funding, support emerging industries, and complete critical 2026 planning efforts, including the O'ahu Tourism Strategic Plan, the O'ahu Comprehensive Economic Development Strategy, and the O'ahu Economic Forecast.

OER is actively implementing changes and improvements identified in the 2026 audit. As part of this effort, OER has worked closely with the Economic Revitalization Commission to develop a new strategic plan to guide OER's priorities, performance measures, and governance practices. This strategic planning effort is intended to directly align OER's work with the audit's recommendations to strengthen internal accountability and improve transparency. Restoration of OER's funding will ensure that the City's investments in economic development deliver measurable outcomes for residents and businesses, which cannot be executed with the cuts currently contemplated by the Council.

OER remains committed to continuous improvement, fiscal responsibility, and partnership with the Council. Maintaining core staff capacity is essential to implementing audit recommendations, leveraging outside funding, public-private partnerships, and delivering tangible economic benefits to the people of O'ahu. We respectfully urge the Council to support the full funding of OER as a prudent investment in the City's economic growth and long-term resilience.

Sincerely,

Digitally signed by Amy Asselbaye
Date: 2026.06.02 15:19:55 -10'00'

Amy Asselbaye
Executive Director

APPROVED:

Krishna F. Jayaram, Managing Director Designate
Office of the Managing Director