



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**  
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI  
A HO'OMĀKA'IKAI

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**COMMUNITY-BASED ECONOMIC DEVELOPMENT (CBED)  
ADVISORY COUNCIL MEETING**

**Tuesday, December 12, 2023, 10:00 a.m.**

As authorized under Act 220, Session Laws of Hawai'i 2021 and Chapter 92-3.7  
Hawai'i Revised Statutes (HRS), the public can participate in the meeting either:

- 1) **By attending the in-person meeting at: No. 1 Capitol District Building,  
250 S. Hotel Street – Conference Room 503, Honolulu, HI 96813; or**
- 2) **Via video-audio livestream - to join the video-audio livestream meeting, go  
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Materials for this agenda and minutes for this meeting will be available at:  
<https://invest.hawaii.gov/business/cbed/council-meetings-and-materials/>

Members of the public may submit written testimony  
via e-mail to: [DBEDT.CBED@hawaii.gov](mailto:DBEDT.CBED@hawaii.gov)  
or via postal mail to:

DBEDT-Business Development & Support Division  
No.1 Capitol District Building, 250 South Hotel Street, 5<sup>th</sup> Floor, Honolulu, Hawai'i 96813; or via  
fax to DBEDT at (808) 586-2589. Please include the word "testimony" and the subject matter  
following the address line.

**INTERNET ACCESS:**

*To view the meeting and provide live oral testimony during the meeting, please use the above link. You will be asked to enter your name in order to access the meeting as an attendee. The Council requests that you enter your full name, but you may use a pseudonym or other identifier if you wish to remain anonymous. You will also be asked for an email address. You may fill in this field with any entry in an email format, e.g., \*\*\*\*\*@\*\*\*mail.com.*

*As an attendee, your microphone will be automatically muted during the meeting unless you are providing testimony. For each agenda item you wish to testify on, please click the Raise Hand button found on your Zoom screen. Council staff will individually enable each testifier to unmute their microphone. When recognized by the Chair, please unmute your microphone before speaking and mute your microphone after you finish speaking in order to prevent audio feedback. When testifying, you will be asked to identify yourself and the organization, if any, that you represent.*

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*When the Chairperson asks for public testimony, you may indicate you want to testify by entering "\*" and then "9" on your phone's keypad. After entering "\*" and then "9", a voice prompt will let you know that the host of the meeting has been notified. When recognized by the Chairperson, you may unmute yourself by pressing "\*" and then "6" on your phone. A voice prompt will let you know that you are unmuted. Once you are finished speaking, please enter "\*" and then "6" again to mute yourself.*

*For both internet and phone access, when testifying, you will be asked to identify yourself and the organization, if any, that you represent.*

## AGENDA

### **I. Call to Order**

- i. Introduction of Council Members and Guests

### **II. Old Business**

- i. Approval of CBED Advisory Council Meeting Minutes for October 17, 2023.
- ii. Report on CBED Grant of \$65,000 to Maui Chamber of Commerce to distribute to Maui County exhibitors at the Made in Maui Festival, November 3-4, 2023. Funds off-set the cost of booth space for all exhibitors.

### **III. New Business**

- i. Pakini Loan Fund Presentation by Nainoa Logan and Lei Reidel. Recommendation/Approval of \$50,000 grant to add capital to Pakini Loan Fund for micro-loans (\$1,000 - \$30,000) for mostly native-Hawaiian-owned small businesses.
- ii. Review of Loan Dashboard to Date
- iii. Review of End-of-Year Loan Metrics
- iv. Admin Bill for State Legislature Modifying Maximum CBED Interest Rate
- v. Summary of Annual Report to Legislature

### **IV. Next Meeting: January 16, 2023**

### **V. Adjournment**

If you need an auxiliary aid/service or other accommodation due to a disability, contact Selma Malcom at (808) 265-4921 and [selma.s.malcolm@hawaii.gov](mailto:selma.s.malcolm@hawaii.gov) as soon as possible. Requests made as early as possible have a greater likelihood of being fulfilled.

Upon request, this notice is available in alternate/accessibile formats.

**COMMUNITY-BASED ECONOMIC DEVELOPMENT (CBED)  
ADVISORY COUNCIL MEETING  
Tuesday, December 12, 2023, 10:00 a.m.**

**Old Business**

Approval of CBED Advisory Council Meeting Minutes for  
October 17, 2023

**DRAFT**  
**DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM (DBEDT)**

MINUTES OF THE COMMUNITY-BASED ECONOMIC DEVELOPMENT (CBED)  
ADVISORY COUNCIL MEETING

**TUESDAY, October 17, 2023, AT 10:00 A.M.**

**Department of Business, Economic Development and Tourism**

250 South Hotel Street, 5th Floor

Conference Room 503, Honolulu, Hawaii 96813

AND VIA VIRTUAL APPLICATION ZOOM: VIDEO/AUDIO CONFERENCE

Advisory Members Present were:

Karen Barr	-	Advisory Council Member (Oahu)
Casey Brown	-	Office of Hawaiian Affairs (Ex-Officio)
Jane Horike	-	Advisory Council Member (Hawaii/Hilo)
Matthew Loke	-	Department of Agriculture (Ex-Officio)
Colleen McAluney	-	Advisory Council Member (Oahu)
Roberta Melton	-	Advisory Council Member (Kauai)
Teena Rasmussen	-	Advisory Council Member (Maui)
Mark Ritchie For	-	Department of Business,
Dennis Ling (Ex-Officio)	-	Economic Development & Tourism (DBEDT)

Guests:

Aaron Ellis	-	Feed the Hunger Fund
Nainoa Logan	-	WEDC

Staff:

Elisa Amemiya	-	Attorney General's Office
Timothy Tiu	-	DBEDT
Selma Malcolm	-	DBEDT

Apologies:

Nancy Elvira Lo (Chair)	-	Advisory Council Member (Oahu)
Kaleokalani Kuroda	-	Advisory Council Member (Oahu)

**CALL TO ORDER:**

Mr. Ritchie called the meeting to order on Tuesday, October 17, 2023, at 10:02 a.m., in the absence of Chair Lo.

All members and guests participated via ZOOM.

▪ **Welcome Current Council Members and Introduction of any Guests:**

Mr. Ritchie welcomed and thanked all present. He asked Selma Malcolm to conduct the roll call and asked members to indicate if they were alone at their respective locations. Mr. Ritchie announced that he's representing Dennis Ling, DBEDT's Ex/Officio at the meeting.

He then introduced Mr. Nainoa Logan of Waianae Economic Development Council (WEDC) who's an observer at the meeting. Mr. Ritchie then noted that Mr. Logan is currently filling Ms. Shavone Lave's position at Pakini Loan Fund as Ms. Lave has transitioned to the City and County of Honolulu; Aaron Ellis, Director of Programs and Lending at Feed the Hunger Fund who will be walking us through a loan for Kauai Fine Woodworking LLC, Ms. Amemiya, Deputy Attorney General and DBEDT staff.

At this point Ms. Rasmussen informed Mr. Ritchie that she will be leaving the meeting at 10:50 a.m., and suggested that any votes be moved forward so she can participate.

**OLD BUSINESS:**

**1. Approval of Minutes of September 19, 2023:**

Minutes of the September 19, 2023, meeting were distributed and reviewed by Council. Mr. Ritchie asked if there were any comments and/or corrections to the Minutes. Hearing none, he asked for a motion to approve the Minutes.

Motion was made by Ms. Rasmussen and seconded by Mr. Brown to approve the Minutes of September 19, 2023, as presented.

A roll call vote was taken with the following Council members approving the motion: Ms. Barr, Mr. Brown, Mr. Loke, Ms. McAluney, Ms. Rasmussen, Ms. Horike, Ms. Melton, and Mr. Ritche.

Motion to adopt the September 19, 2023, Minutes was approved unanimously.

**Public Testimony:**

There was no public testimony.

**2. CBED Grant of \$65,000 to Maui Chamber of Commerce:**

Mr. Ritchie gave an update on a DBEDT/CBED Grant of \$65,000 to the Maui Chamber of Commerce (MCOC) to distribute to the Maui County exhibitors at the Made in Maui Festival from November 3-4, 2023. The funds will off-set the cost of the booth space for the 132 exhibitors. Mr. Ritchie advised that the funds were disbursed to MCOC over 2-weeks ago and MCOC is currently distributing the funds to the exhibitors. Mr. Ritchie said that MCOC will provide a financial report to DBEDT/CBED in late November or early December 2023 about the Festival. Mr. Ritchie also indicated that DBEDT/CBED was happy to do this grant because this will help businesses on Maui sell their products statewide as well as to out-of-state buyers.

Mr. Ritchie specifically asked Ms. Rasmussen if she would like to share anything since she is the Maui representative on the CBED Advisory Council. Ms. Rasmussen indicated that she was hoping that DBEDT would do a press release on the Grant of \$65,000 to Maui Chamber of Commerce to assist exhibitors. Mr. Ritchie replied that a press release was done and will be distributed within a day or two. Ms. Rasmussen then shared how ecstatic Ms. Pamela Tumpap, President of Maui Chamber of Commerce was about the grant.

A screenshot and/or link to an interview that Mr. Ritchie did with a Maui Radio Station was included in the meeting packet that members can listen to. Mr. Ritchie thanked the CBED Advisory Council for approving this grant.

**NEW BUSINESS:**

**1. Approval of CBED Loan of \$75,000 to Kauai Fine Woodworking LLC, a Furniture Manufacturing Company:**

Mr. Ritchie indicated that Kauai Fine Woodworking is a furniture manufacturing company located on Kauai and is requesting a DBEDT/CBED loan of \$75,000 to be used for working capital and the purchase of equipment. He also indicated this is a co-lending deal with Feed the Hunger Fund which will make a loan of \$75,000 as well. Mr. Ritchie then advised that the DBEDT/CBED loan will have a term of 7 years with an interest rate of 5% and that underwriting for this loan was done by Feed the Hunger Fund. Also, Kauai Fine Woodworking LLC is Kauai-based and in an enterprise zone.

Mr. Ritchie then invited Mr. Aaron Ellis, Director of Programs and Lending at Feed the Hunger Fund to walk us through the underwriting process.

Mr. Ellis thanked DBEDT/CBED for co-lending with Feed the Hunger Fund (FTHF) and Ms. Melton for connecting them to a lot of these borrowers. Mr. Ellis reported that Kauai Fine Woodworking, LLC was founded in 2021 by Mr. Adam Lang, and the company has been profitable ever since. *(The company started in 2020 but an entity was created in 2021.)* Mr. Ellis stated that Mr. Lang is requesting a loan of \$150,000 (\$75,000 from DBEDT/CBED and \$75,000 from FTHF) to purchase new equipment to increase production and for working capital. Mr. Ellis also reported that the company has a risk rating of two (2) which means 200% of cash is available to make payments every month, which is very good and puts the company in an excellent rating position from FTHF perspective. The company's collateral coverage is 1.47 including DBEDT/CBED portion of financing. Mr. Ellis also stated that Mr. Lang has an excellent credit history, a very high debt coverage service ratio, positive revenue growth, and has been a carpenter for over 20 years and has been in the management position for this line of business for 8 years. He is contributing 14% of his own equity into the purchase of equipment.

Mr. Ellis also reported that Mr. Lang has 8 full-time and 2 part-time employees. He was declined by the Bank of Hawaii which is a requirement for the DBEDT/CBED funds.

Mr. Brown recommended that the documentation should include that Kauai Fine Woodworking, LLC is in an enterprise zone area. Mr. Ritchie stated that he's keeping an internal list with all indicators which he will discuss with the Advisory Council members at future meetings.

At this point, Mr. Ritchie asked if there were any comments.

Ms. Melton noted that Kauai Fine Woodworking, LLC is a great company with 8 full-time employees and once the loan is approved, the company will hire 5 more employees. The employees are highly skilled laborers, and the shop is about 10,000 sq. ft. Also, she is impressed with the work that Mr. Lang is doing at Kauai Fine Woodworking.

Ms. Rasmussen indicated that she is very thrilled that DBEDT/CBED is making a loan to a company on a neighbor island.

At this point Mr. Ritchie asked for a motion on this agenda item.

Motion was made by Ms. Melton and seconded by Ms. Barr to approve DBEDT/CBED loan of \$75,000 to Kauai Fine Woodworking, LLC to purchase equipment and for working capital.

A roll call vote was taken with the following Council members approving the motion: Ms. Barr, Mr. Brown, Mr. Loke, Ms. McAluney, Ms. Rasmussen, Ms. Horike, Ms. Melton, and Mr. Ritche.

Motion was approved unanimously.

NEXT MEETING:

TBA

ADJOURNMENT:

The meeting was adjourned at 10:21 a.m., on a motion by Mr. Brown and seconded by Ms. Melton.

Respectfully submitted,

For <sup>*Mark Ritchie*</sup>  
\_\_\_\_\_  
For Nancy Elvira Lo  
Chair

Oct 19, 2023  
\_\_\_\_\_  
Date

### **Old Business**

Report on CBED Grant of \$65,000 to Maui Chamber of Commerce to distribute to Maui County exhibitors at the Made in Maui Festival, November 3-4, 2023. Funds off-set the cost of booth space for all exhibitors.

# Small businesses hit by wildfires get funds to participate in Made in Maui County Festival

October 16, 2023 · 11:00 AM HST

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Hawaiian Airlines Made in Maui County Festival. PC: Maui Chamber of Commerce

Maui small businesses hit by this summer's wildfires are getting financial support to participate in this year's Hawaiian Airlines Made in Maui County Festival, happening on Nov. 3 and 4, 2023 at the Maui Arts & Cultural Center.

The Department of Business, Economic Development and Tourism's Community-Based Economic Development program is providing \$65,000 in grants to cover booth fees for vendors.

The Hawaiian Airlines Made in Maui County Festival is an annual event presented by the Maui Chamber of Commerce to showcase products from the islands of Maui, Moloka'i, and Lāna'i.

"Many of our participants experienced hardships following the devastating wildfires, losing inventory, storefronts, retail outlets, and so much more, and we deeply appreciate DBEDT's financial support so our vendors can focus on preparing for the Festival," said Pamela Tumpap, president of the Maui Chamber of Commerce. "This year marks the 10<sup>th</sup> anniversary of the Festival and it's much needed, especially this year."

"Providing immediate support to small businesses on Maui is vital right now. This sponsorship allows 132 companies to exhibit their creativity and talent and for the community to experience what vendors have to offer while helping their recovery efforts," said Dennis Ling, administrator of the Business Development and Support Division of DBEDT.

Each of the participating vendors will receive \$450 for their booth space and other associated costs for the Hawaiian Airlines Made in Maui County Festival.

The CBED program provides training and capacity-building opportunities to promote, support, and invest in community-based development projects that result in measurable economic impact.

## State to provide funding for small businesses to participate in Made in Maui County Festival

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PACIFIC BUSINESS NEWS



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The annual event, which is produced by the Maui Chamber of Commerce, launched in 2014.  
BETHANY BICKLEY



By Christina O'Connor – Senior Digital Editor, Pacific Business News  
Oct 16, 2023

Listen to this article 2 min



Small businesses on Maui that were impacted by the August wildfires can get financial support from the state to participate in the Made in Maui County Festival, which takes place next month.

Officials announced Monday that the state Department of Business, Economic Development and Tourism's Community-Based Economic Development program will provide a total of \$65,000 worth of grant funding to cover booth fees for vendors at the festival.

The annual event, which is produced by the Maui Chamber of Commerce, launched in 2014 as a way to help Maui County businesses boost sales while stimulating the economy. In past years, it has featured more than 100 local vendors and drawn in thousands of attendees, according to the event website.

This year's event returns from 1:30 to 6 p.m. Nov. 3 and from 8 a.m. to 4:30 p.m. Nov. 4 at the Maui Arts & Cultural Center.

"Many of our participants experienced hardships following the devastating wildfires, losing inventory, storefronts, retail outlets, and so much more, and we deeply appreciate DBEDT's financial support so our vendors can focus on preparing for the festival," said Pamela Tumpap, president of the Maui Chamber of Commerce, in a statement. "This year marks the 10th anniversary of the festival and it's much needed, especially this year."

According to DBEDT officials, funding will be provided to 132 participating vendors, each of which will receive \$450 for booth space and other related costs.

For more information, click [here](#).

<https://mauinow.com/2023/10/16/small-businesses-hit-by-wildfires-get-funds-to-participate-in-made-in-maui-county-festival/>

<https://www.bizjournals.com/pacific/news/2023/10/16/state-to-provide-funding-for-made-in-maui-county.html>

## **New Business**

Pakini Loan Fund Presentation by Nainoa Logan and Lei Reidel.  
Recommendation/Approval of \$50,000 grant to add capital to  
Pakini Loan Fund for micro-loans (\$1,000 - \$30,000) for mostly  
native-Hawaiian-owned small businesses.

## **New Business**

Review of Loan Dashboard to Date

<u>Loan Number</u>	<u>Servicing Partner</u>	<u>Borrower</u>	<u>Loan Amount</u>	<u>% Interest Rate</u>	<u>Term (months)</u>
CBED007 EDA-21	HCRC	Re-Use Hawaii	50,000	3	60
CBED008 EDA-22	FTHF	Haleiwa Distilling Company*	175,000	3	84
CBED009 EDA-22	HCRC	Maikai Health Corp	50,000	5	36
CBED010 EDA-22	WEDC	HB Baking LLC	25,000	3	36
CBED011 EDA-22	WEDC	Lubrco LLC*	125,000	4	120
CBED012 EDA-22	WEDC	Amro-Asian Trade, Inc.*	100,000	5	36
CBED013 EDA-22	FTHF	Farm Link Hawaii**	100,000	3	84**
CBED014 EDA-22	FTHF	Pomai Kulolo	105,000	6	60
CBED015 EDA-22	WEDC	Holoholo Tree Service LLC	45,000	6	48
CBED016 EDA-22	WEDC	Kauai Kim Chee LLC	100,000	4	48
CBED017 EDA-23	FTHF	Koko Kai Foods LLC	60,000	4	84
CBED018 EDA-23	FTHF	Samurai, Inc.	100,000	4	84
CBED019 EDA-23	WEDC	OCR, Inc dba Small Kine Farm	50,000	3	120
CBED020 EDA-23	FTHF	Kauai Fine Woodworking	75,000	5	84
			1,160,000		

\*modified loan

\*\*amortized 11 years; \$50,000 ballon payment at end payment 84



Report: Financial Reports with Risk Ratings

**Risk Rating Over Time**

Enable Field Editing Add Chart Filter Refresh Export

Shows RLF recipient Final all Risk Ratings, historical and current, in Salesforce by Financial report and Fiscal Year. This report will not include yet to be finalized ratings.

Total Records	Average Score Capital Base Index	Average Score Cash Percentage ov...	Average Score Cash Percentage	Average Score Cost per Job	Average Score Default Rate over T...
2	2.0	3.0	2.5	3.0	1.5
Average Score Default Rate	Average Score Dollars Written Off				
1.5	3.0				

Revolving Loan Fund (RLF) ↑	Fiscal Year End Date ↑	Financial Report: Financial Report Name	Risk Rating: Risk Rating Name	Reporting Period End Date	Risk Rating
State of Hawaii, DBEDT-47418HI (2)	CY2022 (1)	State of Hawaii, DBEDT-47418HI-2022.06.30	Risk Rating-47418HI-2022.06.30	6/30/2022	B
	<b>Subtotal</b>				
	CY2023 (1)	State of Hawaii, DBEDT-47418HI-2023.06.30	Risk Rating-47418HI-2023.06.30	6/30/2023	A
	<b>Subtotal</b>				
<b>Subtotal</b>					
<b>Total (2)</b>					

**New Business**  
Review of End-of-Year Loan Metrics

<u>Borrower</u>	Pre-Loan Jobs	Jobs Created	Jobs Saved	Industry	Enterprise Zone	Rural Area (967XX)	Not CCH
Re-Use Hawaii	35	5	20	Wholesaler/Construction	yes	no	no
Haleiwa Distilling Company	1	14	1	Mfg/AG	yes	yes	no
Maikai Health Corp	2	8	2	Healthcare	yes	yes	yes
HB Baking LLC	2	2	2	Wholesaler	no	no	no
Lubrco LLC	7	4	1	Mfg	yes	no	no
Amro-Asian Trade, Inc.	4	2	4	Mfg/Wholesaler	yes	no	no
Farm Link Hawaii	20	0	20	Wholesaler/AG	yes	no	no/yes*
Pomai Kulolo	25	4	25	Wholesaler/AG	yes	yes	no/yes*
Holoholo Tree Service LLC	2	3	2	Service/AG	yes	yes	no
Kauai Kim Chee LLC	4	2	2	Mfg/AG	yes	yes	yes
Koko Kai Foods, LLC	3	1	3	Mfg/AG	no	no	no
Samurai, Inc.	20	0	20	Mfg/AG	yes	no	no
OCR Inc. dba Small Kine Farm	5	0	5	AG	yes	yes	no
Kauai Fine Woodworking	8	2	8	Mfg	yes	yes	yes

138.00      47.00      115.00

\*based in CCH but  
neighbor island  
impact

Ownership

Veteran-owned    1  
 NHPI-owned        3  
 Woman-owned       7

**New Business**

Admin Bill for State Legislature Modifying Maximum CBED  
Interest Rate

\_\_\_\_.B. NO.\_\_\_\_

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# A BILL FOR AN ACT

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

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Section 210D-10, Hawaii Revised Statutes, is  
2 amended to read as follows:

3           "**§210D-10 Terms of loans.** Loans shall be made to qualified  
4 applicants with the following terms and conditions:

5           (1) The amount of the outstanding balance on all loans  
6 issued under this chapter to any one applicant at any one time  
7 shall not exceed \$250,000;

8           (2) The maximum term of a loan shall not exceed ten years;

9           (3) Each loan shall bear simple interest at a rate of not  
10 less than three and not more than [~~six~~] ten per cent a year,  
11 depending on the nature of the loan; and

12           (4) The commencement date for the repayment of the first  
13 installment on principal and interest of each loan may be  
14 deferred by the director of business, economic development, and  
15 tourism for a period not to exceed two years. [L 1990, c 111,  
16 pt of §2; am L 1996, c 192, §10; am L 2009, c 124, §7]".

\_\_\_\_.B. NO.\_\_\_\_

1 SECTION 2. Statutory material to be repealed is bracketed  
2 and stricken. New material is underscored.

3 SECTION 3. This Act shall take effect upon its approval.

4

5

INTRODUCED BY: \_\_\_\_\_

6

BY REQUEST

\_\_\_\_.B. NO.\_\_\_\_

**Report Title:**

Hawaii Community-Based Economic Development Technical and  
Financial Assistance Program

**Description:**

By statute the interest rate on CBED business loans is between  
three (3) and six (6) percent. CBED uses federal funds for part  
of these loans. Federal rules require an interest rate floor  
according to market conditions. At some point in the future the  
federal floor could approach or overtake the CBED maximum  
interest rate thus making it impossible to use federal funds for  
these loans. Increasing the CBED maximum rate to ten (10)  
percent will ensure the CBED loan program has the flexibility to  
offer low interest loans, but also comply with federal  
requirements.

*The summary description of legislation appearing on this page is for informational purposes only and is  
not legislation or evidence of legislative intent.*

## **New Business**

Summary of Annual Report to Legislature

STATE OF HAWAI‘I

HAWAI‘I COMMUNITY-BASED ECONOMIC DEVELOPMENT  
TECHNICAL AND FINANCIAL ASSISTANCE PROGRAM



CY 2023  
ANNUAL & FINANCIAL REPORTS  
TO THE 32nd LEGISLATURE

As required by Section 201-10, Hawai‘i Revised Statutes  
and Section 201D-14, Hawai‘i Revised Statutes

*CBED Program Annual Report 2023*

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## EXECUTIVE SUMMARY

The Legislature created a Community-Based Economic Development (CBED) Program in 1991 in the Department of Business, Economic Development and Tourism (DBEDT) with Act 111, SLH 1991, codified as Chapter 210D, Hawai'i Revised Statutes. As part of the statute, the CBED Advisory Council and the CBED Revolving Fund were also created.

The Council reviews CBED financing requests and makes recommendations on the awarding of loans and grants, subject to the final approval of the DBEDT director. The Council also advises the director on program implementation, and members represent their county in liaison with stakeholders in community-based economic development.

The Hawai'i Community-Based Economic Development Revolving Fund (now called the CBED Special Fund) was established to provide training and capacity-building opportunities and to invest in community economic development projects that result in measurable economic impact. Sources of revenue include repayments of loan principal, loan interest, and interest from the department's participation in the State's investment pool. Sources of expenditures include loans (state funds only), loans (20% state match for EDA loans, see below) grants and technical assistance. As of December 1, 2023, the CBED Special Fund account had a balance of \$157,938.41.

CBED offers small business loans usually from \$50,000 to \$125,000 to eligible small businesses that support economic development in their communities. The CBED program helps small businesses to develop viable, sustainable ventures that serve local needs and are compatible with the vision, character and cultural values of their communities. The CBED loan program supports a broad range of businesses, including agricultural producers, manufacturers and wholesalers.

In FY 2021, the CBED program applied for and was awarded a grant of one million dollars (\$1,000,000) from the U.S. Economic Development Administration (EDA)/U.S.

Department of Commerce for the CBED Revolving Loan Fund (RLF). The one-million-dollar EDA grant was matched by a required CBED commitment of \$250,000. As of December 1, 2023, CBED had 16 active loans supporting small businesses and 162 jobs in economically challenged areas of the state. Also, as of December 1, 2023, the CBED-EDA Revolving Loan Fund (RLF) had \$72,000 in funds left in the draw-down from EDA (requiring a \$18,000 or 20% CBED match). As of December 1, 2023, the CBED-EDA RLF account had a balance of \$123,693.08. Sources of revenue include repayments of loan principal, loan interest, and interest from the department's participation in the State's investment pool. Sources of expenditures include loans (EDA with 20% state match) and loan servicing fees.

CBED currently has underwriting, co-lending and loan servicing arrangements with the Hawai'i Dept. of Agriculture (HDOA), Feed the Hunger Fund (FTHF), Hawai'i Community Reinvestment Corporation (HCRC) and the Waianae Economic Development Council (WEDC), an "emerging Community Development Financial Institution (CDFI)."

CBED partners with various organizations to target "hard to reach" sectors of Hawai'i's business community to present information on business resources and educate community-based organizations, such as non-profits, on how to strengthen their economic development capabilities.

### **CBED MISSION**

Through loans, grants and technical assistance the Community-Based Economic Development (CBED) program provides training and capacity building opportunities to promote, support, and invest in community-based development projects that result in measurable economic impact.

**CBED ADVISORY COUNCIL**

The CBED Program is guided by an Advisory Council comprised of community leaders from around the State.

The CBED Advisory Council reviews all requests for financial assistance (loans and grants) to assess whether the proposed community-based economic development activity or enterprise is likely to achieve the purposes of the CBED program. The Council makes recommendations to DBEDT regarding the appropriateness of the proposed activity or enterprise, and the DBEDT Director then has final authority to approve or disapprove the financial assistance.

**CBED Advisory Council Members**



**COLLEEN MCALUNEY**

**O'ahu**  
Exp: 06/30/2025



**TEENA RASMUSSEN**

**Maui**  
Exp: 06/30/2027



**JANE HORIKE**

**Hawai'i**  
Exp: 06/30/2025



**KAREN BARR**

**O'ahu**  
Exp: 06/30/2027



**KALEOKALANI KURODA**

**O‘ahu**  
Exp: 06/30/2023  
(Holdover)



**NANCY ELVIRA LO**

**O‘ahu**  
Exp: 06/30/2023  
(Holdover)



**ROBBIE MELTON**

**Kaua‘i**  
Exp: 06/30/2026



**DENNIS T. LING**  
*Ex-Officio Representative for Director James  
Kunane Tokioka  
Department of Business, Economic  
Development & Tourism*

**DBEDT  
Representative**



**CASEY BROWN**  
*Ex-Officio Representative for Chair Carmen  
Hulu Lindsey  
Office of Hawaiian Affairs*

**OHA Representative**



**MATTHEW K. LOKE**  
*Ex-Officio Representative for Chairperson  
Sharon Hurd, Department of Agriculture*

**DOA Representative**

Council members bring a myriad of skill sets to the Department and the CBED Program. Skill sets of current CBED Advisory Council Members include, but are not limited to: Strategic Communications, Program Management, Community Outreach, Project Management, Government, Strategic Planning, Public Speaking, Nonprofits, Leadership,

Business Strategy/Business Analytics, Financial Modeling, Process Improvement, Finance, Risk Management, Public Policy, Grants, Public Administration, Customer Service, Legislative Relations, and Policy Analysis.

During strategic planning sessions, the Council has voiced its agreement and understanding of the importance of partnerships and emphasized the need to leverage and obtain additional CBED funding and seek loan servicing assistance to address the fact that DBEDT does not have a loan officer to underwrite and service loans made through the CBED program.

**CBED LOAN PROGRAM**

The Hawai'i CBED Revolving Fund (now called a "Special" Fund) was established to provide training and capacity-building opportunities and invest in community economic development projects that result in measurable economic impact. Sources of revenue include repayments of loan principal, loan interest, "Transfers" of revenue collections from other closed DBEDT loan programs (i.e., Capital Loan Program, Small & Large Fishing Vessel Loan Programs), fees from community conferences and other events sponsored through the CBED Program and interest from the department's participation in the State's investment pool. Sources of expenditures include loans (state funds only), loans (20% state match for EDA loans, see CBED-EDA RLF) grants and technical assistance.

<b>CBED Special Fund Account FY 2023</b>	
Beginning balance as of July 1, 2022	\$275,302.52
Revenues for fiscal year	\$91,371.13
Expenditures for fiscal year	(\$98,457.24)
Balance as of June 30, 2023	\$268,216.41

<b>CBED Special Fund Account FY 2024 (5 mo.)</b>	
Beginning balance as of July 1, 2023	\$268,216.41
Revenues for fiscal year	\$4,120.00
Expenditures for fiscal year	(\$114,398.00)
Balance as of December 1, 2023	\$157,938.41

In FY 2021, the CBED Program applied for and was awarded a grant of one million dollars (\$1,000,000) from the U.S. Economic Development Administration (EDA) in the U.S. Department of Commerce. The one-million-dollar grant was matched by a CBED required commitment of \$250,000. Funds from CBED and EDA are committed to making loans to small firms that are ready to expand their businesses, create additional jobs and can exhibit community benefits through their expansion. The fund focuses primarily on manufacturers, wholesalers, agricultural and value-added agricultural companies.

The CBED-EDA Revolving Loan Fund (RLF) is separate from the CBED Special Fund outlined above since the CBED-EDA RLF uses federal funds with a state fund commitment. The fund can only be used for loans, and it is tracked separately for EDA reporting purposes.

<b>CBED-EDA RLF Account FY 2023</b>	
Beginning balance as of July 1, 2022	\$ 6,202.24
Revenues for fiscal year:	445,735.51
Expenditures for fiscal year	(338,876.25)
Balance as of June 30, 2023	\$113,061.50

<b>CBED-EDA RLF Account FY 2024 (5 mo.)</b>	
Beginning balance as of July 1, 2023	\$113,061.50
Revenues for fiscal year:	\$198,898.36
Expenditures for fiscal year	(188,266.78)
Balance as of December 1, 2023	\$123,693.08

The additional EDA funding into the State of Hawai'i's Community-Based Economic Development Revolving Loan Fund (CBED-EDA RLF) enables the State to move towards a more sustainable economy by supporting certain types of business activities as outlined in the Comprehensive Economic Development Strategy (CEDS); in particular, manufacturing; the diversification of agriculture and value-added agricultural production. The EDA funding also allows for increasing jobs in economically challenged areas of the State. CBED-EDA RLF loans can be used for: start-up costs and working capital;

construction or improvement of facilities; purchase of equipment; payment of production and marketing expenses, including materials, labor and services.

## CURRENT CBED LOANS

### *CBED Funded Loans*



**Kohala Meats & Deli** – (February 2017) This is a joint loan with the Department of Business, Economic Development and Tourism's Community-Based Economic Development Program (CBED) and the State Agriculture's Loan Division (SALD). The \$50,000 joint CBED-SALD loan to Mr. David Fuertes and wife, Carolyn Fuertes, was made towards completing renovations of a 1,592 square foot leased building on Hawai'i Island that houses the meat market and deli and to refurbish the chill box. Mr. and Mrs. Fuertes have contributed \$100,000 of their own funds towards the project.

**Hawaiian Agricultural Products, LLC** (April 2020) received a 10-year CBED \$60,000 loan matched with a \$60,000 loan (total \$120,000) from the State Department of Agriculture's Loan Division (SALD). CBED Revolving funds were used primarily for the purchase and installation of additional brewing and holding equipment needed to expand production and distribution of shochu made at their distillery in Haleiwa. This is the second CBED loan approved for Hawaiian Agricultural Products. The first was made in November 2011 for a \$25,000 CBED loan, matched by a SALD loan of \$25,000. Funds were used primarily for the purchase and installation of a boiler, the last crucial piece of equipment needed to complete the distillery.

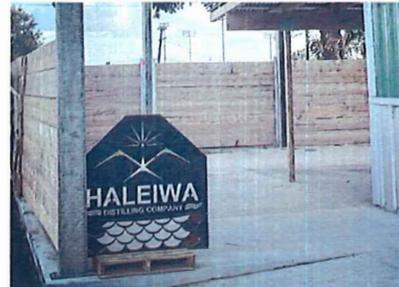


### *CBED-EDA Funded Loans*



**Re-Use Hawai'i** (October 2021) CBED approved a CBED-EDA Revolving Fund loan of \$50,000 to non-profit Re-Use Hawai'i to be matched with a \$50,000 loan from Hawai'i Community Reinvestment Corporation (HCRC). CBED Revolving funds will be used primarily for the purchase of equipment and transportation needed to expand deconstruction, acquisition and storage, and transportation equipment.

**Haleiwa Distilling Company** (December 2021) CBED approved a CBED-EDA Revolving Fund loan of \$175,000 to Nathan Sisler, to be matched with a \$175,000 loan from the Feed the Hunger Fund (FTHF). CBED Revolving funds will be used primarily for the purchase and installation of additional brewing and holding equipment needed to expand production and distribution of whiskey, rum, liquors and gin made at his Waialua Sugar Mill distillery.



**Maika`i Health Corporation** (February 2022) was approved for a CBED-EDA Revolving Fund loan of \$50,000, matched with an additional \$100,000 loan through a participation loan agreement between Hawai`i Community Reinvestment Corporation (HCRC-\$50,000)



and Hawai`i Island CDFI-Lei Hoolaha (LH-\$50,000). The loan will be used to finance the cost associated with the start-up of the Maika`i Health Community Clinic in Hilo which opened on November 15, 2021. CBED-EDA Revolving funds will be used primarily for leasehold improvements and operating capital needed towards expanding services and operations. Funding will allow Maika`i Health Corporation

to retain seven (7) full-time jobs and two (2) part-time positions. Expansion of services will add additional positions which will be tracked.

**HB Baking, Inc.** (April 2022) was approved for a CBED-EDA Revolving Fund loan of \$25,000. CBED-EDA funds will be used primarily for the purchase of an ice cream truck to sell at pop-up markets on the Island of Oahu and any operating capital needed towards expanding services and operations. The company makes desserts and ice cream. Funding supports the retention of two (2) full-time employees and two (2) part-time employees. Expansion of services will add additional positions which will be tracked.



**Lubrco, LLC** (May 2022) was approved for a CBED-EDA Revolving Fund loan of \$125,000. CBED-EDA funds will be used primarily for working capital and operating capital needs towards new product development, scaling production and purchase order fulfillment. Lubrco develops, processes, manufactures and packages disinfectant and cleaning solutions in Hawai`i for product distribution to all islands, the Pacific Rim and North



America. Funding supports the retention of five (5) full-time employees at the company's manufacturing site.

**Amro-Asian Trade, Inc.** (May 2022) was approved for a CBED-EDA Revolving Fund loan of \$100,000. The company operates in the General Merchandise, Non-durable business/industry within the Wholesale Trade-Non-durable Goods sector. CBED-EDA funds will be used only for the purchase of inventory. Amro-Asian Trade, Inc., offers innovative, high-speed denominating counters. Currency Discriminators and Sorters are manufactured in Japan and South Korea. Funding supports the retention of four (4) full-time employees.



**Farm Link Hawai'i, Inc.** (June 2022) was approved for a CBED-EDA Revolving Fund loan of \$100,000, matched with an additional \$100,000 loan through a participation loan agreement with Feed the Hunger Fund (FTHF). CBED-EDA funds will primarily be used for working capital. Farm Link Hawai'i connects local growers and buyers via its innovative online marketplace and supply-chain infrastructure. Farm Link Hawai'i connects household and commercial buyers to local farmers for delivery or pickup. The company's mission is to build a thriving, equitable food system in Hawai'i by empowering local farmers and improving access to local foods. The company currently employs twenty-two (22) people. In 2021, Farm Link Hawai'i purchased over \$1 million of local produce and products from over two hundred (200) local farmers and ranchers and sold to over two thousand (2,000) unique buyers.

**Pomai Kulolo** (June 2022) was approved for a CBED-EDA Revolving Fund loan of \$105,000, matched with an additional \$395,000 through participation loans among Feed the Hunger Fund (FTHF \$150,000); Lei Ho'olaha (\$100,000); and the Hawai'i State Department of Agriculture (SALD \$145,000). The company is native Hawaiian-owned and makes



Hawaiian food and desserts. CBED-EDA funds will primarily be used for upgrading current facilities, expanding operations, and securing a supply chain for future growth. Pomai Kulolo currently has twenty-five (25) employees and will create four (4) additional positions.

**Holoholo Tree Service, LLC** (October 2022) was approved for a CBED-EDA Revolving Fund loan of \$45,000. Holoholo Tree Service is a commercial and residential tree specialty company that provides services in tree removal and thinning,



hazardous removal, mulching, powerline trimming, and land cleaning. The company is based in Maili, on the Waianae Coast, which is designated as one of Oahu's Enterprise Zones, currently employs two (2) full-time employees, is a locally owned Native Hawaiian "woman owned" business less than two years old and is being fast tracked to enter into the Federal 8(a) Program. CBED's loan will be used to purchase a new 2022 Bandit 250 XP 12" Disc Chipper. Acquiring this equipment will help to secure the hiring of an additional two (2) full-time employees and two (2) additional part-time employees.



**Kauai Kim Chee, LLC** (November 2022) was approved for a CBED-EDA revolving fund loan for \$100,000, with a co-funding match of \$30,000 from the Waianae Economic Development Council's (WEDC) Micro-Loan Fund for a total of \$130,000. Kauai Kim Chee manufactures value-added agricultural food products for wholesale, retail, and the provision of "food-to-go." The company was established in 2015 with primary products of Korean style kimchee, namasu and pickled daikon. Their products are found at local farmers markets, restaurants on Kauai Island such as Duke's and Keoki's Paradise, ABC Stores, Foodland/Sack n Save, and Times Supermarket on Kauai. The company currently has two (2) full-time and two (2) part-time employees. 65% of the \$130,000 loan will be used for the purchase of a fully equipped food truck to increase company presence at pop-up markets and community events on Kauai. The balance of the loan funds will be used to increase refrigeration units to accommodate anticipated business expansion.



**Koko Kai Foods LLC dba Koko Kai Yogurt** (May 2023) was founded by Aline Steiner and Jonathan Roach in mid-2020. The CBED Advisory Council voted to recommend approval of Koko Kai Foods LLC for a CBED-EDA loan of \$60,000 with a \$60,000 match from Feed the Hunger Fund (FTHF). Borrowers will also contribute Owners Capital of \$50,000 for a total amount of \$170,000. The funds will be used to purchase new yogurt production and bottling equipment, build a "cold room," complete improvements in a new warehouse space, and provide some working capital to help with bulk purchases of packaging materials. Koko Kai Foods is a producer of non-dairy (coconut) yogurts that sources ingredients from local farmers when possible, and fair-trade farmers when they have to import. Koko Kai yogurt is dairy free, gluten free and plant based. It is unique in the market of coconut yogurts because it contains no added sugars, starches, fillers, or gums nor preservatives and relies on 13 live and active high quality probiotics strains to achieve a shelf stable pH. Koko Kai sources most fruit and spices for their yogurts locally, from local farmers. They are currently selling products in

Hawai‘i in 84 locations throughout the State – Foodland, Wholefoods and Safeway, and in California in nine (9) locations in the Los Angeles area.



**Samurai, Inc.** (September 2023) was approved for a \$100,000 loan from CBED with a match of \$100,000 from Feed the Hunger Fund (FTHF). Founded in 1995, Sumarai manufactures ice cream, frozen desserts, sugar and confectionery products. They are based in the Kalihi area of Honolulu in an Enterprise Zone and employ 20 people. The loan will allow the company to update their facilities and purchase automated production equipment that will increase labor efficiency and reduce costs.

**OCR Inc. dba Small Kine Farm** (October 2023) received a \$50,000 loan from CBED to match a \$225,000 loan from the State Department of Agriculture’s Loan Division (SALD). The CBED loan will allow the company to begin their organic mushroom growing operation in Waimanalo, an Enterprise Zone. The funds will be used for working capital and equipment. This loan supports Hawai‘i’s food self-sufficiency initiatives.



Organic, Locally Grown  
Tūtū and Keiki Portabella Mushrooms



**Kauai Fine Woodworking** (October 2023) was approved for a \$75,000 loan with a match of \$75,000 from Feed the Hunger Fund (FTHF). Founded in 2021 by Adam Lang, Kauai Fine Woodworking (KFW) operates from the North Shore of Kauai in an Enterprise Zone. Adam has 23 years of experience as a carpenter, and the business is known for its dedication to producing exceptional custom woodwork including crafting cabinetry, designing custom doors, and creating elegant shelving units. The company employs eight (8) skilled workers. The loan will be used for facilities, equipment and working capital.

### **CBED GRANTS**

Although the CBED program has limited funds for grants, the CBED Advisory Council in response to the Maui fires of summer 2023 explored how the CBED program could assist suffering Maui businesses. The Council approved granting financial support to allow small businesses to participate in the Hawaiian Airlines Made in Maui County Festival on November 3 and 4, 2023, at the Maui Arts & Cultural Center.

The CBED program provided \$65,000 in grants to cover booth fees for vendors. The Hawaiian Airlines Made in Maui County Festival is an annual event presented by the Maui Chamber of Commerce to showcase products from the islands of Maui, Moloka‘i, and Lāna‘i. “Many of our participants experienced hardships following the devastating wildfires, losing inventory, storefronts, retail outlets, and so much more, and we deeply appreciate DBEDT’s financial support so our vendors can focus on preparing for the Festival,” said Pamela Tumpap, president of the Maui Chamber of Commerce. “This year marks the 10<sup>th</sup> anniversary of the festival and it’s much needed, especially this year.” The sponsorship allowed 132 companies to exhibit at the event and for the community to experience what vendors have to offer while helping their recovery efforts. Each of the participating vendors received \$450 for their booth space and other associated costs for the Hawaiian Airlines Made in Maui County Festival.



### **CBED TECHNICAL ASSISTANCE**



DBEDT's popular Hawai‘i Small Business Fair was held September 16, 2023, at Leeward Community College (LCC) and was attended by almost 250 small businesses. The purpose of the Fair was to help local entrepreneurs launch and grow their companies in a post-pandemic economy and the state’s new business landscape. The Fair organized by DBEDT's CBED program and many DBEDT partner organizations offered more than 20 classes led by professional experts addressing a wide range of topics including finding access to working capital, protecting brand and intellectual property, e-commerce, social media marketing, staff management strategies, and more. Additionally, attendees



connected with more than 30 exhibitors from various federal, state and county agencies, financial institutions, and nonprofit business support agencies.

## **CONCLUSION**

Community-based economic development is specifically a strategy for addressing the needs of low-income communities. CBED has been implemented in the United States for more than 40 years, and in Hawai'i for more than 30 years. CBED strategies and practices can play a valuable part in an overall economic development strategy for Hawai'i. Specifically, CBED is a bottom-up economic development initiative that can supplement more centralized or top-down approaches. This bottom-up approach begins by sourcing economic development opportunities from local communities themselves, which can be geographic or demographic communities or communities of interest. These opportunities, which usually become projects, not only have community-backing, but usually have some form of community control. The CBED approach can help existing or build new community-based businesses for a more sustainable Hawai'i economy, based on decentralization, partnerships, human resource development, and innovation. CBED is a key strategy for providing economic opportunities for Hawai'i's residents.

