

DRAFT

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM (DBEDT)

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

TUESDAY, FEBRUARY 21, 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:

Nancy Elvira Lo (Chair)	-	Advisory Council Member (Oahu)
Karen Barr	-	Advisory Council Member (Oahu)
Casey Brown (Left at 0:30 am)-		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)
Teena Rasmussen	-	Advisory Council Member (Maui)
Mark Ritchie for Dennis Ling, (Ex-Officio)	-	Department of Business, Economic Development & Tourism

Guests:

Nainoa Logan	-	Waianae Economic Development Council (WEDC)
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Staff:

Elisa Amemiya	-	Attorney General's Office
Lyle Fujikawa	-	DBEDT
Wayne Thom	-	DBEDT
Timothy Tiu	-	DBEDT
Selma Malcolm	-	DBEDT

Apologies:

Kaleokalani Kuroda	-	Advisory Council Member (Oahu)
Roberta Melton	-	Advisory Council Member (Kauai)

CALL TO ORDER:

Mr. Ritchie called the meeting to order on Tuesday, February 21, 2023 at 10:05 a.m.
All members and guests participated via ZOOM.

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

Mr. Ritchie welcomed and thanked all present. He noted that the purpose of this meeting is to update Council on the DBEDT's/CBED's plans for the coming months. He asked the members to introduce themselves and indicate if they were alone at their respective locations per Sunshine Laws. Mr. Ritchie announced that he was the DBEDT's Ex/Officio, a voting member representing Mr. Ling. He then introduced Mr. Nainoa Logan, Program Director of Waianae Economic Development Council (WEDC), who would update the meeting on the WEDC programs, Ms. Elise Amemiya, Deputy Attorney General and the DBEDT staff.

OLD BUSINESS:

Approval of Minutes of November 15, 2022:

The Minutes of November 15, 2022, 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 Mr. Brown and seconded by Ms. Rasmussen to approve the Minutes of November 15, 2022, as presented.

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

Motion to adopt the November 15, 2022, Minutes was approved unanimously.

Public Testimony:

There was no public testimony.

1. **CBED Grants: Grant Writing Technical Assistance Grants Review and Discussion:**

Mr. Ritchie stated that Mr. Thom would update Council on the DBEDT/CBED grant writing technical assistance program for nonprofits that are involved in Community-Based Economic Development. Mr. Ritchie then called Mr. Thom for his update of the CBED grant writing program.

Mr. Thom reported that since the DBEDT/CBED T/A grant writing assistance program started in 2020, DBEDT/CBED received 27 applications and of the 27 applications, 15 were approved for funding. Also, that one of the grants was

approved for \$4,500 while the other 14 were for \$5,000 each. The grants ended on December 22, 2022. Mr. Thom also reported that 5 of the 15 companies that were approved for the grant withdrew from the grant for various reasons. Currently, DBEDT/CBED has 10 active T/A grants which resulted in an aggregate amount of federal funds into Hawaii of \$1,893,768 (ratio: \$1:\$40). Over the last 3-years, a total of \$90,500 was committed to the T/A grant program; \$39,500 was dispersed and a balance of \$7,500 is still payable. At present, there is an available balance of \$43,000 for grants of up to \$5,000 each. Mr. Thom also provided Council with a list of the technical assistance grants recipients and expressed that the Friends of 'Iolani Palace and the Waianae Economic Development Council received 2-grants each and these 2 organizations were very successful. Mr. Thom then asked if there were any questions.

During discussion, Ms. Rasmussen asked if the money was expired or was it the grant that's expired.

Mr. Ritchie replied by asking Council's opinion on the balance of money approved for these grants, as to whether CBED should continue promoting the program or look at other possible grant programs that Council might be interested in.

Mr. Brown commented that based on the DBEDT/CBED ratio of \$1:\$40, the program should be continued. Ms. Horike stated that DBEDT/CBED should continue the funding and start promoting the program again.

Mr. Ritchie then indicated that since there was no objection from Council, CBED would keep the program going and try to drawdown on what Council has already voted on. Council concurred. Mr. Ritchie stated that the grant writing information for the technical assistance application is still on the DBEDT's/CBED's website but CBED will begin promoting it more.

Mr. Thom explained the 3 deliverables that are set forth in the purchase order once the grant is approved for \$5,000: (1) The first payment of \$2,500, constitutes evidence to DBEDT/CBED that the organization has contracted with a legitimate grant writer for assistance, and amount should incorporate our \$5,000, plus the match of \$1,250 on a grant writer's contract. When the organization delivers a copy of the written agreement with the grant writer, DBEDT/CBED would pay \$2,500 of the grant. (2) The organization needs to exhibit that they have finished writing the grant and/or provide evidence and that it has been received by a federal organization or by a private foundation, whichever they use - (\$2,000). (3) The final \$500 of the total contract (\$5,000) is for evidence that the organization either received or were denied the grant.

Mr. Thom noted that one of the organizations went through the first payment of \$2,500 but DBEDT/CBED did not receive any evidence of the grant being completed.

2. Overview of Current CBED Loans Partially Funded by EDA:

Mr. Ritchie presented an overview of the current DBEDT/CBED loans that are 80% funded by the EDA and 20% by State match. He reported that out of the \$1.25 million, DBEDT/CBED dispersed \$875,000 and there is a balance of \$375,000 to be deployed by March 31, 2024, to complete the entire drawdown. Also, that DBEDT/CBED is looking to deploy the rest of the EDA funds by Summer 2023 which would put us a year ahead of the EDA's schedule. This information was included in the meeting packet.

Mr. Ritchie shared some internal metrics that CBED has been using to track the loans. He stated that there was a total of 10 loans, and the number of jobs that existed from these 10 companies totaled 102. Twenty-five new jobs were created, 58 jobs were saved which brings the total number of new/saved jobs to 83.

Mr. Ritchie advised that these 10 loans are in the following industries: wholesaling, construction, manufacturing, agricultural services, and one in healthcare (clinic in Hilo). Mr. Ritchie noted that the metrics that CBED tracks for internal use, include whether companies are located in Enterprise Zones (EZ). The Enterprise Zones are economically challenged areas of the state designated by the counties and approved by the governor for 20 years. All 10 loans are with companies located in EZs. Mr. Ritchie also noted that most of the DBEDT's/CBED's loans are in the city & county of Honolulu with one on Kauai and one on Hawaii Island. About half the loans are in rural areas (zip code 967XX).

DBEDT/CBED does not have any loans on Maui. CBED will work to visit Maui in person and/or arrange Zoom calls with representatives of the Maui Chamber of Commerce, the new director of Economic Development Office of the County, the Maui Economic Opportunity as well as other organizations. During the discussion, Ms. Rasmussen noted that those organizations all formed an alliance, and they meet on a monthly basis. And if Mr. Ritchie gave a presentation to the group, whether via Zoom or in person, it would address all the organizations at the same time.

Mr. Ritchie indicated that CBED also tracks Native Hawaiian / Pacific Islander-owned companies and, about one third of the companies fall into this category. DBEDT/CBED also tracks women-owned (currently 50% of the loans are with woman-owned businesses) as well as veteran-owned businesses.

Ms. Rasmussen inquired about the interest rate. Mr. Ritchie replied that it is by statute as 3-6% and CBED varies it by loan.

Mr. Brown left the meeting at 10:30 a.m.

3. CBED Outreach and Marketing Programs for 2023/Discussion:

Mr. Ritchie advised that on 2/21/23 at 11:00 a.m., he has a webinar with the Office of Economic Revitalization for City & County, then a Micro-Lending webinar with the Patsy Mink Center for Business and Leadership & VBOC in which our co-lending partners, Feed the Hungry Fund and the Waianae Economic Development Council will also be participating. If there are any questions, Mr. Fujikawa of DBEDT/CBED is the lead person for our outreach and marketing. Lastly, CBED would like to visit the neighbor islands in person in the coming months.

NEW BUSINESS:

1. Waianae Economic Development Council (WEDC): Update

At this point, Mr. Ritchie invited Mr. Nainoa Logan of WEDC to give an update on the Waianae Economic Development Council (WEDC) programs. Mr. Logan thanked the Council for the opportunity to present at the meeting, and also for the DBEDT/CBED grants program of which WEDC has been a recipient. He reported that WEDC assisted Maui (Gary Albitz and Leslie Wilkins) with the Maui Economic Development Board with their SBA Housing Assistance Program.

WEDC is applying for the Capital Readiness Program (MBDA) grant and invited Ko 'olani Davis from Molokai to assist with that project.

Mr. Logan informed the Council that WEDC's mission is to develop the community's rich natural, cultural and human resources and their goal is to play a facilitator role in many instances where they are working with various nonprofit organizations both in and outside of the Waianae Coast. WEDC has expanded its board, programs and its staff members. Currently, WEDC has approximately 8 people on staff and 24 contractors. Mr. Logan advised Council that WEDC has 4 main programs: Financial Literacy, Financial Lo'i, Business Development and a CDFI Loan Fund of about \$150,000 for loans between \$15,000 - \$30,000.

Mr. Logan also advised that WEDC has a Partnership/Facilitation with the Waianae Moku Navigators and there are 2 major themes: Food Security Systems which focuses on food access and is working with the Food Pantry. The security part is focused on farmers training, community gardens, vertical gardens as well as implementing ag technology. Mr. Logan noted that the second focus is Digital Equity and WEDC is launching the first digital hub on the Waianae Coast. Mr. Logan also shared an example of how wealth is perceived from a cultural perspective. Mr. Ritchie thanked Mr. Logan for the update on WEDC.

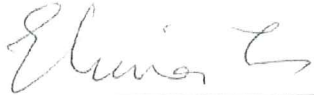
NEXT MEETING:

March 21, 2023 10:00 am


ADJOURNMENT:

The meeting was adjourned at 10:49 a.m., on a motion by Ms. Rasmussen and seconded by Ms. Horike with all in favor.

Respectfully submitted,



Nancy Elvira Lo
Chair



Date