

DRAFT

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM (DBEDT)

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

TUESDAY, FEBRUARY 15, 2022, AT 10:00 A.M.

VIA VIRTUAL APPLICATION ZOOM: VIDEO/AUDIO CONFERENCE

Advisory Members Present were:

Rachel James (Chair)	-	Advisory Council Member (Oahu)
Casey Brown	-	Office of Hawaiian Affairs (Ex-Officio)
Jane Horike	-	Advisory Council Member (Hawaii/Hilo)
Kaleokalani Kuroda	-	Advisory Council Member (Oahu)
Dennis Ling	-	Department of Business, Economic Development & Tourism
Nancy Elvira Lo	-	Advisory Council Member (Oahu)
Matthew Loke	-	Department of Agriculture
Ernest Matsumura	-	Advisory Council Member (Hawaii/Hilo)
Teena Rasmussen	-	Advisory Council Member (Maui)
Guests Heather Piper	-	Hawaii Community Reinvestment Corporation
Nainoa Logan	-	Waianae Economic Development Council
Staff: Bryan Yee	-	Attorney General's Office
Mark Ritchie	-	DBEDT
Wayne Thom	-	DBEDT
Lyle Fujioka	-	DBEDT
Leslie Kawamoto	-	DBEDT
Timothy Tiu	-	DBEDT
Selma Malcolm	-	DBEDT

CALL TO ORDER:

The meeting was called to order by Chair James on Tuesday, January 16, 2022, at 10:00 a.m.

- **Welcome Current Members and Introduction of any Guests:**
Chair James welcomed and thanked everyone for joining the meeting via Zoom. She then introduced the council members, DBEDT staff, and guests Nainoa Logan and Heather Piper (who joined later in the meeting)

very successful opening on November 15, 2021, and within the first 8-weeks, the clinic had served over 400 new patients, submitted billings for over 440 patients (some patients had 2-visits) and has over 300 patients pending. Ms. Piper advised that MHC contracted with all the major health insurance companies in Hawaii, except for Kaiser and that HCRC is excited to help them to be successful while they take on new patients and expand their services.

Mr. Ritchie reiterated that the clinic is located in an underserved area -- Hilo and that MHC contributes to economic development by both providing necessary medical services which can support a healthier community, as well as providing job opportunities, thus he felt it fits into the CBED program.

Ms. Piper then stated that MHC has created 8 full-time positions and one part-time position. They have added behavioral health services and COVID-19 testing and vaccinations in February 2022 and have the credentials to open a pharmacy.

Ms. Horike requested a list of MHC board members and expressed concerns on how MHC is planning to repay the loan because many of the health centers do not make a profit. She inquired about their payer mix, i.e., how many out of their 400 patients are on Medicare and Medicaid and what percentage is private patients? She also asked about the number of patients visits per day, and if MHC will become a family qualified healthcare center that is similar to the Waianae Coast Comprehensive Center. She then noted that MHC is located in an area of Hilo which has a lot of medical offices and that the clinic is not located in a low-income area, it's in more like a middle-class area.

In addressing Ms. Horike's questions and concerns, Ms. Piper stated that DBEDT has a complete list of MHC staff and board members. Chair James then informed Ms. Horike that a list of the board members and staff was on the last page of the meeting materials packet that DBEDT/Ritchie distributed.

Ms. Piper stated that MHC is not a large clinic like Waianae Coast Comprehensive, it is a small single office clinic with low overhead expenses and the previous doctors had given the current doctors a very reasonable 5-year lease so she does not perceive MHC having any economic challenges.

Ms. Piper stated that the duration of MHC loan is 3-years and that 2-3 doctors will be closing their practices in Hilo and will be referring their patients to MHC so the demand is there for patients needing services. The source of MHC payment is cashflow projection based on their first 2-months of operations in billings. Currently, MHC is averaging 20 patients per day and their target is 25 patients. Regarding health insurance, Ms. Piper did not have a breakdown available, however, MHC received about \$30,000 from HMSA in the previous week.

Chair James then thanked Ms. Piper for her presentation.

At this point, Chair James inquired if anyone would like to make a motion regarding this loan to Maika`i Health Corporation.

Motion was made by Ms. Rasmussen and seconded by Mr. Matsumura to recommend the CBED Loan of \$50,000 to Maika`i Health Corporation to the DBEDT Director for approval.

Roll call vote was requested, and the following Council members approved the motion: Ms. Horike, Mr. Brown, Mr. Kuroda, Chair James, Mr. Ling, Ms. Lo, Mr. Matsumura, Mr. Loke and Ms. Rasmussen.

The motion was unanimously approved. *(With 2 reservations – Ms. Horike & Mr. Loke)*

2. Presentation by Mr. Nainoa Logan of Waianae Economic Development Council (WEDC)

Mr. Thom introduced Mr. Nainoa Logan, Loan Manager with the Waianae Economic Development Council (WEDC). He said previously, the CBED Advisory Council approved \$5,000 in grant funding for technical assistance for grant writing to WEDC as part of a \$60,000 approved grant program. Mr. Thom stated that Mr. Logan and Mr. Laplio, President of WEDC applied to the Administration for Native Americans and was successful in receiving more than \$1 million in grant funds to plan and develop an emerging CDFI that would start a microloan program for the Waianae Coast and throughout the State of Hawaii. Mr. Thom then invited Mr. Logan to make his presentation on the CDFI micro loan and on WEDC.

During his PowerPoint presentation, Mr. Logan advised that the WEDC is focusing on the Waianae Coast but, will be delivering services statewide. He stated that the median household income in Waianae in 2019 was approximately \$66,766 which was about 30 percent less than the State Median. One of their goals for the nonprofit is to raise the median income level on the Waianae Coast to parity with the State. Mr. Logan said there are about 1500 businesses registered in Waianae and about half of those businesses are actively engaging and the majority of these businesses are single member LLC or sole proprietors with no employees. Also, back in 2020, WEDC conducted a survey with a response level of about 300 with different groups and sixty-six (66) percent of all the businesses they surveyed earned less than \$20,000 per year. The WEDC goal is to elevate the income level of the Coastline/Waianae and they are trying to attack issues in multiple prongs such as the indigenous perspective and western financial perspective in order to try and hit multiple groups and ethnicities to be able to achieve that goal.

Mr. Logan advised that the vision of the WEDC is to be a leader in the economics field for collective approaches in community planning, capacity building, financial services and business development. WEDC mission will increase opportunity to the Waianae Coast

ADJOURNMENT:

The meeting was adjourned at 11:11 a.m. on a motion made by Mr. Brown seconded by Ms. Rasmussen with all in favor.

Respectfully submitted,

Rachel James

Rachel James
Chair

Mar 2, 2022

Date






CBED Meeting of February 15_Draft Minutes

Final Audit Report

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