

**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, March 18, 2025, 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: 250 South Hotel Street, Fifth Floor Conference Room, Honolulu, HI 96813; or**
- 2) **Via video-audio livestream - to join the video-audio livestream meeting, go to:**

Join Zoom Meeting

<https://us06web.zoom.us/j/85462390334?pwd=Qm5YcW55TzVva2J2M3BhRWZxZ3ZqUT09>

Meeting ID: 854 6239 0334

Passcode: 102753

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+1 929 205 6099 US (New York)

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+1 305 224 1968 US

+1 309 205 3325 US

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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
or via postal mail to
DBEDT-Business Development & Support Division
No 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawai'i 96813
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.

PHONE ACCESS:

If you cannot get internet access, you may get audio-only access by calling the Zoom Phone Number listed at the top on the agenda. Upon dialing the number, you will be prompted to enter the Meeting ID which is also listed at the top of the agenda. After entering the Meeting ID, you will be asked to either enter our panelist number or wait to be admitted into the meeting. You will not have a panelist number. So, please wait until you are admitted into the meeting.

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 January 21, 2025.

III. New Business

- I Recommendation/Approval of CBED follow-on loan of \$80,000 to Re-use Hawai'i, a deconstruction and redistribution nonprofit company that turns waste into affordable community resources, located on O'ahu. The CBED loan will fund new equipment leading to greater operational efficiency. The CBED loan will have a term of five (5) years with an interest rate of 6%. This will be a 100% CBED loan with loan servicing done by Hawai'i Community Reinvestment Corporation (HCRC). Underwriting review by Heather Piper, Executive Director, HCRC.
- II Recommendation/Approval of a CBED Grant of \$8,000 to The Institute for Native Pacific Education and Culture (INPEACE) Center for Entrepreneurship, a 501(c) Community-Based Organization. The funds will support a cohort of nine (9) Native Hawaiian-owned small businesses in participating in the 2025 Merrie Monarch Festival) Kāko'o Hawai'i marketplace, in Hilo, HI, to showcase their craftsmanship, increase brand visibility, and generate sales. Presented by Lisa Pakele, Program Director, INPEACE Center for Entrepreneurship.
- III Overview/Discussion of Hawai'i Community-Based Economic Development Technical and Financial Assistance Program CY 2024 Annual & Financial Reports to the 33rd Legislature.

IV Next Meeting: April 15, 2025

V. Adjournment

If you need an auxiliary aid/service or other accommodation due to a disability, contact Selma Malcom at (808) 265-4921 or 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/accessible formats.

Old Business

Approval of CBED Advisory Council
Meeting Minutes for January 21, 2025

DRAFT

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM (DBEDT)

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

**TUESDAY, JANUARY 21, 2025, AT 10:00 A.M.
No. 1 Capitol District Building,
250 South Hotel Street, 5th Floor Conference Room
Honolulu, Hawaii 96813**

AND VIA VIRTUAL APPLICATION ZOOM: VIDEO/AUDIO CONFERENCE

Advisory Members Present were:

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

Guests:

Lei Riedel	-	Pakini Loan Fund
Eric Bowman	-	Feed the Hunger Fund (FTHF)

Staff:

Elisa Amemiya	-	Attorney General's Office
Timothy Tiu	-	DBEDT
Jason Ushijima	-	DBEDT

Apologies:

Jennifer Wilkinson	-	Advisory Council Member (Hawaii/Kona)
Josephine (Poni) Askew	-	OHA Representative

CALL TO ORDER:

Mr. Ritchie called the meeting to order on Tuesday, January 21, at 10:00 a.m.
All members and guests participated via ZOOM.

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

Mr Ritchie welcomed all present He then announced that he's officially the DBEDT's Ex-Officio in place of Mr Dennis Ling

A roll call vote was conducted, and all members indicated that they were alone at their respective locations

OLD BUSINESS:

Approval of Minutes of October 15, 2024

Minutes of the October 15, 2024, meeting were distributed and reviewed by the Council Mr Ritchie asked if there were any comments and/or corrections to the Minutes. There were none and he asked for a motion to approve the Minutes

The motion was made by Ms. Melton and seconded by Ms. Lo to approve the Minutes of the October 15, 2024 meeting, as presented.

A roll call vote was taken with no objections

The motion to adopt the October 15, 2024 Minutes was approved unanimously

Public Testimony:

There was no public testimony

NEW BUSINESS:

Approval of CBED Loan of \$37,500 to Cymz Sweet Kre8tionz, LLC:

Mr. Ritchie outlined that the company, Cymz Sweet Kre8tionz, LLC, a Maui-based business, has applied for a DBEDT/CBED loan in partnership with Feed the Hunger Fund He invited Mr Bowman, Loan Officer of Feed the Hunger Fund (FTHF) to present information about Cymz Sweet Kre8tionz, LLC and owner Ms Cymbree Favella to the committee He stated that Ms Favella is a Native Hawaiian woman who has been in business for 10 years and makes desserts with local ingredients and supplies them to hotels and resorts on Maui, such as the Grand Wailea She would like to grow her business and increase capacity with the purchase of new equipment With the underwriting that FTHF completed, Mr Bowman noted that the business is profitable and would be able to support the loan. Mr. Ritchie mentioned that the business is in Kahului and is also in an Enterprise Zone

Ms Rasmussen asked for clarification that Cymz Sweet Kre8tionz, LLC.'s business address was on Maa Street in Kahului Mr Bowman confirmed that it is

Ms Rasmussen asked if the business owner was the only tenant of the commercial kitchen they were using. Mr Bowman confirmed that she was and that the commercial kitchen would be able to house new equipment that Ms. Favella would be purchasing. Ms Rasmussen added that the commercial kitchen location in Mauilani was a new area that could be expensive but would be more likely to have newer, quality facilities.

Ms. Rasmussen asked for confirmation that the full amount of the loan was \$75,000 and not \$55,000 that was written on the loan interest form. Mr. Ritchie confirmed this and mentioned that as CBED and Mr. Bowman work more closely with loan applicants it is not uncommon for them to discover the need to amend the amount of the loan request. Mr. Ritchie stated that FTHF had also given Ms. Favella the assurance that if CBED was not able to grant her a loan that FTHF would be willing to assist her. Mr. Bowman noted that this was done to give the business owner assurance that she could make business decisions in a timely manner. He also indicated that in his experience, loan applicants' requests do change during the initial process as they further explore their need together. Additionally, Mr. Bowman added that sometimes business owners are hesitant to ask for a higher amount in their initial request.

Ms Rasmussen noted that such an expansion might require additional employees and asked if the business owner had plans to hire more people. Mr. Bowman said that she did not at the moment and that the equipment that Ms Favella would be purchasing would instead help her to streamline her production and free up more of her time to focus on business needs.

Ms. Rasmussen asked if Cymz Sweet Kre8tionz, LLC has a shop or retail location. Mr Bowman indicated that she did not as her business was comprised of mostly wholesale sales to hotels and retail sales were related to catering with a minimum order required.

Ms Rasmussen stated that she had met Ms. Favella previously at the 2024 Made In Maui Festival and was very impressed with her display and products.

Mr Ritchie indicated that Mr Bowman conducted extensive research and financial analysis and had confidence in Ms Favella's ability to repay the loan. He also noted that some of the sensitive business information is not included in the loan packet that the council had received because the packet becomes public information.

Mr Ritche then asked if there were any further questions. Since there were none, he called for a motion on this agenda item.

A motion was made by Ms Rasmussen and seconded by Ms Barr to approve the DBED/CBED loan of \$37,500 to Cymz Sweet Kre8tionz, LLC.

A roll call vote was taken with all Council members approving the motion and no objections.

The motion was approved unanimously.

Announcements

Mr. Ritchie said that the 2024 CBED Annual Report was also included in the Meeting Packet for the committee to review. It will be discussed in the next meeting in February.

Mr. Ritchie wished Ms. Rasmussen congratulations on her retirement. The members of the Advisory Committee wished her congratulations. Ms. Rasmussen will continue to serve as a CBED Advisory Committee Member.

Mr. Ritchie stated that for 2025, the CBED Advisory Committee would continue to meet the third Tuesday of each month at 10:00 a.m.

Mr. Ritchie announced that DBEDT's Office of Planning and Sustainable Development received approval on the designation of the entire State of Hawaii as an Economic Development District (EDD). As a result, the whole state could be included in Federally funded grant programs including possible additional EDA funds for CBED. Mr. Ritchie noted that the current CBED EDA fund was in the "Revolving Loan Phase" and the reporting requirements were not as stringent as they had been during the "Draw Down Phase."

NEXT MEETING:

February 18, 2025 at 10:00 a.m.

ADJOURNMENT:

The meeting ended at 10:37 a.m., on a motion by Ms. Horike and seconded by Ms. Melton.

There were no objections and the motion was approved unanimously.

Respectfully submitted,

For 

Nancy Elvira Lo, Chair

Jan 22, 2025

Date

New Business

Recommendation/Approval of CBED follow-on loan of \$80,000 to Re-use Hawai'i, a deconstruction and redistribution nonprofit company that turns waste into affordable community resources, located on O'ahu. The CBED loan will fund new equipment leading to greater operational efficiency. The CBED loan will have a term of five (5) years with an interest rate of 6%. This will be a 100% CBED loan with loan servicing done by Hawai'i Community Reinvestment Corporation (HCRC).
Underwriting review by Heather Piper, Executive Director,
HCRC

New Loan Request
CBED Advisory Council
March 18, 2025 10:00AM

Lender: State of Hawai'i DBEDT – CBED

Servicer: Hawai'i Community Reinvestment Corporation

Borrower: Re-Use Hawai'i, a Hawaii nonprofit corporation

Date Business Established: 2006

NAICS Code: Construction 238910 / Retail 444190

FY2024 Annual Revenue \$3,161,103

FY2024 FTE Count 33

Loan Amount \$80,000 00

Loan Purpose To finance ~90% of the purchase of a new telehandler

Loan Term: 5-years fully amortizing

Guarantor None

Collateral: Junior UCC Lien on General Business Assets

Source of Repayment Business Cash Flow

Recommendation

Organization Overview:

Re-use Hawai'i is a local, non-profit organization on a mission to increase the sustainability and resiliency of the Hawaiian Islands - through the simple practice of reusing materials. Over the past 18 years, Re-use Hawai'i has grown tremendously, beginning with only one operation center and seven employees to operations on two islands and 41 employees

Mission:

We envision a future where waste reduction and the preservation of resources are maximized through deconstruction and building material reuse, where jobs and opportunities are created for those who experience barriers to employment, thus, allowing a sustainable circular economy to thrive. We aspire to be more than just a sustainable jobs and resource conservation initiative. With our partners, we want to be an impetus for positive change in Hawai'i

Lines of Business:

Deconstruction Re-Use Hawai'i is Hawaii's only Deconstruction Service Provider. Deconstruction is the disassembly of buildings by hand to recover the maximum amount of materials for reuse and recycling. Re-use Hawai'i is contracted by building managers, contractors, homeowners, and hotels to partially or fully dismantle a structure instead of demolishing it. Salvaged materials are transported to the Redistribution Center, where they are processed and made available to the community as a low-cost resource. **To date Re-Use Hawai'i has diverted over 518 tons of material from the landfills.**

Redistribution Center: The Re-use Hawai'i Redistribution Center offers affordable building material resources for the community. It is open to the public and stocked with reusable building materials and goods from our deconstruction program, community pickups, and donation centers. Additional material comes from local businesses that donate surplus building materials. Shoppers can find appliances, hardware, vintage furniture, sinks, live-edge tree slabs, and many specialty items unavailable at other stores. Since its founding, Re-use Hawai'i has provided more than 40,000 community members with local, affordable building material resources. **Annual sales of \$717,000 in fiscal year 2024.**

Workforce Development: We have designed collaborations with Kupu, Job Corps, The City & County of Honolulu's Work Hawai'i Division (American Job Center and YouthBuild), and Lanakila Pacific to provide opportunities for their program participants to receive training and work experience at Re-use Hawai'i. As our efforts increased, we added a full-time position, Workforce Development Manager. We now offer on-the-job training in our two core programs of Deconstruction and Redistribution, developing both hard skills and socio-emotional job readiness to prepare for careers in construction, retail, and nonprofit administration. Re-use Hawai'i partners with REDF to reveal and reinforce the talent of people breaking through barriers to employment. REDF is a national organization and leader in the employment social enterprise field that provides capital, capacity, and community to employment social enterprises (ESEs), businesses that hire the talent others have sidelined. ESEs like Re-use Hawai'i exist because we see this talent pool for the strengths they hold, not the barriers they face. With REDF's guidance, we aim to provide good, paying jobs and vital supportive services, housing, access to childcare, mental health services, job coaching, and much more. **Workforce Development: 25 Court Ordered Participants in FY2024. 25 Court Ordered and 12 Dept. Of Labor Participants projected in FY2025.**

Locations:

They had been leasing a space from Office of Hawaiian Affairs (OHA) in Kakaako since 2009. The space was 18,000 sf of interior warehouse (redistribution center) and 20,000 outdoor parking & lumber yard. The lease expired in 2022, and they had been on a month-to-month agreement. In the summer of 2024, OHA notified Re-Use Hawai'i that they would not be extending the lease and gave them notice to vacate the property. Re-Use Hawai'i found a new location at the former Sac-n-Save location at the Stadium Mall. The Kakaako location was closed to the public in September 2024, and they began the tenant improvements and relocation to Stadium Mall. The Stadium Mall location was completed in December 2025 and open to the public.

The new store is centrally located and nearly 3 times the size of their prior location with a 40,000-sf lumber yard (parking lot), 49,000-sf warehouse, 1,300-sf training space, and 3,500-sf office space. The cost of relocation was estimated at \$600,000 with a combination of loss of redistribution income during the 3 months they were closed and actual relocation expense and leasehold improvement expense. Re-Use Hawai'i covered a portion of these costs through grants/donations and a loan from HCRC.

Re-Use Hawai'i also has an 8,500 sf location on Hawaii Island used for tool and equipment storage which is on a month-to-month lease.

Financial Highlights:

Income Statement	Fiscal Year End	Fiscal Year End	Fiscal Year End
	9/30/2022	09/30/0223	9/30/2024

Gross Income	\$2,352,057	\$2,448,159	\$3,161,103
Cost of Goods (includes warehouse rent)	\$1,657,641	\$1,836,955	\$2,153,438
Gross Profit (Loss)	\$694,416	\$611,204	\$1,007,665
Total Operating Expenses	\$542,560	\$615,838	\$810,701
Net Profit (Loss)	\$151,856	\$(4,634)	\$196,964
EBITDA	\$200,701	\$55,944	\$273,450
Total Debt Service including this request.	\$40,555	\$54,437	\$89,717
Excess / Shortfall Cash Flow	\$160,146	\$1,508	\$183,734
DSCR	4.9	1.0	3.0

Balance Sheet	Fiscal Year End	Fiscal Year End	Fiscal Year End
	9/30/2022	09/30/2023	9/30/2024
Total Assets	\$1,800,708	\$1,787,601	\$2,007,062
Total Liabilities	\$327,047	\$317,991	\$342,326
Total Equity (Net Assets)	\$1,473,661	\$1,469,610	\$1,664,736
Total Liability & Net Assets	\$1,800,708	\$1,787,601	\$2,007,062
Key Ratios			
Quick Ratio (Good > 1)	2.89	2.35	3.69
Current Ratio (Good > 2)	9.64	8.72	10.68
Debt to Assets (Good <1)	0.18	0.18	0.17

Recommendation/Approval of a CBED Grant of \$8,000 to The Institute for Native Pacific Education and Culture (INPEACE) Center for Entrepreneurship, a 501(c) Community-Based Organization. The funds will support a cohort of nine (9) Native Hawaiian-owned small businesses in participating in the 2025 Merrie Monarch Festival) Kāko'o Hawai'i marketplace, in Hilo, HI, to showcase their craftsmanship, increase brand visibility, and generate sales. Presented by Lisa Pakele, Program Director, INPEACE Center for Entrepreneurship

INPEACE Center for Entrepreneurship – 2025 Merrie Monarch Festival

Submitted to: Community-Based Economic Development (CBED) Program Advisory Committee

Submitted by: Lisa Pakele, Program Director, INPEACE Center for Entrepreneurship

Funding Request: \$8,000

Date: March 18, 2025

Project Overview

The INPEACE Center for Entrepreneurship is seeking \$8,000 in funding from the State of Hawai'i CBED Program to support a cohort of Native Hawaiian-owned small businesses in attending and selling their Made in Hawai'i merchandise at the 2025 Merrie Monarch Festival. This funding will directly contribute to fostering economic opportunities for local entrepreneurs while promoting Native Hawaiian culture, craftsmanship, and sustainable business development.

About the Institute for Native Pacific Education and Culture (INPEACE):

INPEACE is a nonprofit organization committed to the education, culture, and economic development of Native Hawaiians. Through a range of programs and initiatives, INPEACE strives to create opportunities that promote self-sufficiency and enhance the quality of life for Native Hawaiian communities. The INPEACE Center for Entrepreneurship supports new family-owned businesses and start-ups on the Leeward Coast of O'ahu to increase their capacity to succeed. The Center provides intensive individual support, personal and business finance training, 1-on-1 coaching, access to business micro loans, peer networking, business equipment, administrative back-office support, specialized services, and expert mentors.

The Merrie Monarch Festival: Significance & Economic Opportunity

The Merrie Monarch Festival, held annually in Hilo, Hawai'i, is the premier hula competition and cultural event in the state. It attracts thousands of visitors, including locals, tourists, and cultural practitioners, creating a vibrant atmosphere and celebration of Hawai'ian culture. The festival provides an unparalleled venue for Native Hawaiian-owned businesses to showcase their craftsmanship, increase brand visibility, and generate substantial sales.

Participation in the festival will allow our cohort members to:

- Access a highly targeted audience of consumers who value authentic, locally made products.
- Increase revenue and expand their customer base through direct sales and networking opportunities.
- Strengthen the cultural and economic vitality of the Native Hawaiian business community.

By securing funding for this initiative, INPEACE aims to:

- Support the economic sustainability of Native Hawaiian-owned small businesses and contribute to the growth of Hilo and Hawaii Island economy.
- Enhance the visibility of Native Hawaiian entrepreneurs in a high-profile marketplace.
- Strengthen community engagement and business development efforts.
- Celebrate and foster cultural pride and excitement by showcasing authentic Hawaiian-made products.

Funding Request & Budget Breakdown

The requested \$8,000 will be allocated as follows:

Expense	Cost
Vendor Booth Fees	\$5000
Travel Expenses (Airfare, ground transportation, lodging Shipping)	\$2000
Marketing	\$1,000

Participating Businesses

Provide support for nine Native Hawaiian-owned businesses to participate as vendors at the Kāko’o Hawai’i Merrie Monarch marketplace.

Six: O’ahu Based Businesses

1. The Keiki Dept
2. Kaha Hawai’i
3. Honolulu Baby Company
4. Bujo Bae
5. Mahina Made
6. Kakou Collective

Three Hawai’i Island Businesses:

1. Sweetheart Farm
2. Kaulana Mahina
3. Pawniolo Pets

About Kāko’o Hawai’i

The Kāko’o Hawai’i marketplace bring Hawaii’s small business community together by providing them with a support system and platform for commerce. The marketplace will be held during the festival from April 24-26, 10 AM-5 PM at Sangha Hall in Hilo and host more than 50 artists, food vendors and entrepreneurs from across the state.

Conclusion

The Merrie Monarch Festival provides a one-of-kind platform for Native Hawaiian businesses to grow and thrive. By supporting their participation, the State of Hawai’i CBED Program will play a pivotal role in advancing economic self-sufficiency and cultural preservation within the Native Hawaiian community while contributing to the neighbor island business community in Hilo, on Hawaii Island and connecting native-Hawaiian-owned business across the state.

Overview/Discussion of Hawai'i Community-Based
Economic Development Technical and Financial
Assistance Program CY 2024 Annual & Financial Reports
to the 33rd Legislature

STATE OF HAWAI‘I

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



CY 2024
ANNUAL & FINANCIAL REPORTS
TO THE 33rd LEGISLATURE

As required by Section 201-10, Hawai‘i Revised
Statutes and Section 210D-14, Hawai‘i Revised Statutes

CBED Program Annual Report 2024

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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, 2024, the CBED Special Fund account had a balance of \$243,862.59.

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, 2024, CBED had 16 active loans supporting small businesses and 208 jobs in economically challenged areas of the state. Also, as of March 2024, CBED completed its \$1 million draw-down from EDA (which required a \$250,000 or 20% CBED match). As of December 1, 2024, the CBED-EDA RLF account had a balance of \$324,567.69. 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 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 Pakini Fund (a subsidiary of Waianae Economic Development Council), 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



JENNIFER WILKINSON

Hawai'i
Exp: 6/30/2028



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**



JOSEPHINE "PONI" ASKEW
*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**

DBEDT CBED Program Administrators:

Mark Ritchie, Branch Chief, Business Support Branch

Jason Ushijima, Economic Development Specialist, Business Support Branch

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.

CBED Special Fund Account FY 2024	
Beginning balance as of July 1, 2023	\$263,536.50
Revenues for fiscal year	\$174,556.18
Expenditures	(\$179,556.18)
Balance as of June 30, 2024	\$263,036.50

CBED Special Fund Account FY 2025 (5 mo.)	
Beginning balance as of July 1, 2024	\$263,036.50
Revenues for fiscal year	\$1,230.97
Expenditures for fiscal year	(\$20,404.88)
Balance as of December 1, 2024	\$243,862.59

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.

CBED-EDA RLF Account FY 2024	
Beginning balance as of July 1, 2023	\$113,061.50
Revenues for fiscal year	\$421,252.39
Expenditures for fiscal year	(\$299,852.24)
Balance as of June 30, 2024	\$234,461.65

CBED-EDA RLF Account FY 2025 (5 mo.)	
Beginning balance as of July 1, 2024	\$234,461.65
Revenues for fiscal year	\$100,797.64
Expenditures for fiscal year	(10,691.60)
Balance as of December 1, 2024	\$324,567.69

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

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.

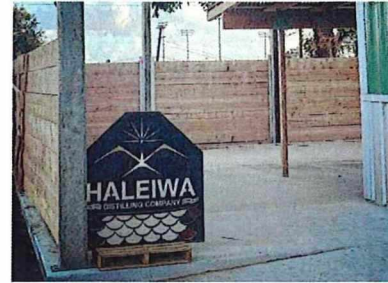


CBED-EDA Funded Loans



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 were used primarily for the purchase of an ice cream truck to sell at pop-up markets on the Island of Oahu and operating capital needed towards expanding services and operations. The company makes desserts and ice cream. Funding supported 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. This loan has already been paid in full more than a year early!



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, 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.

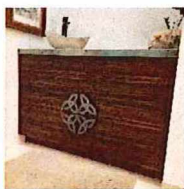
Samurai, Inc. (September 2023) was approved for a \$100,000 loan from CBED with a match of \$100,000 from Feed the Hunger Fund (FTHF). Founded in 1995, Sumarai manufactures ice cream, frozen desserts, sugar and confectionery products. They are based in the Kalihi area of Honolulu in an Enterprise Zone 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. Samurai received a second loan of \$25,000 in February 2024 from CBED with a match of \$25,000 from FTHF to purchase additional production equipment.



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.



C & C Tropicals (March 2024) were approved for a loan of \$100,000 from CBED and a match of \$100,000 from Feed the Hunger Fund (FTHF). Located in Hilo on Hawaii Island C & C Tropicals specializes in Heliconia, Ginger, cut Anthuriums, potted Orchids, and lots of tropical foliage. The company started in 2018 with three acres and have now expanded to 35 acres. Owner Shane Castillo and his partner Kris Carlson operate a thriving flower production business providing a variety of species for wholesale and recently opened a

florist shop in Hilo. C & C Tropicals also acquired Pacific Floral Exchange one of the largest floral distributors in Hawaii supplying florists across the state and the mainland U.S. and has become a key player in the local market.

CBED GRANTS



Through 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. 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 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. In 2024 CBED continued to sport the Festival through general sponsorship to the and attended with buyers from Japanese Department Stores seeking new products from Hawai‘i.



By partnering with the Pakini Loan Fund, a spin-out of the Waianae Economic Development Council (WEDC) and providing them with a \$50,000 grant, CBED was able to further the CBED mission. As an emerging Community Development Financial Institution (CDFI), the Pakini Loan Fund provides financial and technical support to the greater Hawai‘i and Native Hawaiian community, particularly to those members located in West Oahu.

The Pakini Loan Fund is uniquely positioned to offer microloans (\$10,000-\$30,000) to small businesses throughout the State of Hawai'i. In 2024 the Pakini Loan Fund utilized the CBED grant to fund its revolving loan fund and provide three (3) microloans to Native-Hawaiian-owned businesses:

- Ho'omana Pono, LLC (\$10,000): a legal advocacy organization with two (2) full-time employees
- KC Construction (\$20,000): a residential and commercial construction company with two (2) full-time employees and five (5) sub-contractors
- Costa Customs, LLC (\$20,000): a mobile auto welding service with one (1) full-time employee



CBED also provided the Pakini Loan Fund learning and growth opportunities over the course of the year in the administration of the CBED loan program through co-lending and loan servicing.

The CBED Program continued its support of Native Hawaiian-owned companies with its third grant of \$6,000 to

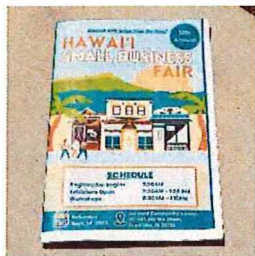


the Institute for Native Pacific Education and Culture (INPEACE). The grant empowered 14 companies from INPEACE's Center for Entrepreneurship to showcase their brands and products at the 2024 Made in Hawai'i Festival. The festival annually provides a prominent platform for Hawai'i's artisans and businesses to display their products to a wide audience, fostering greater exposure and growth opportunities. It took place on August 23-25 at the Hawai'i Convention Center.



INPEACE used the grant to cover the participation costs for five (5) companies to attend the festival. In addition, CBED provided all 14 entrepreneurs with technical assistance and supported them with marketing, social media, and public relations. INPEACE’s companies generated \$115,425 in sales over the 2-day festival and additionally made valuable networking connections with buyers, and gained experience in scaling-up, and selling at events.

CBED TECHNICAL ASSISTANCE



DBEDT's popular Hawai'i Small Business Fair was held September 28, 2024, at Leeward Community College (LCC) and was attended by almost 300 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.