

DRAFT

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM (DBEDT)

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

TUESDAY, MAY 20, 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)
Teena Rasmussen	-	Advisory Council Member (Maui)
Colleen McAluney	-	Advisory Council Member (Oahu)
Matthew Loke	-	Department of Agriculture (Ex-Officio)
Josephine (Poni) Askew	-	OHA Representative
Jason Ushijima For	-	Department of Business, Economic
Dennis Ling (Ex-Officio)		Development & Tourism (DBEDT)

Guests:

Lisa Pakele	-	Institute for Native Pacific Education and Culture (INPEACE)
Lei Riedel	-	Pakini Loan Fund
Mary Dale	-	U.S. Small Business Administration (SBA)

Staff:

John Cole	-	Attorney General's Office
Selma Malcolm	-	DBEDT

Apologies:

None

CALL TO ORDER:

Mr. Ushijima called the meeting to order on Tuesday, May 20, at 10:00 a.m.

All members and guests participated via ZOOM.

▪ Welcome Current Council Members and Introduction of any Guests:

Mr. Ushijima welcomed all present. He then announced Mark Ritchie's retirement and that he's officially the DBEDT's Ex-Officio in place of Mr. Dennis Ling. He noted that he will work with Ms. Lo on running the meetings moving forward.

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

OLD BUSINESS:

Approval of Minutes of April 15, 2025:

Minutes of the April 15, 2025, meeting were reviewed by the Council. Mr. Ushijima 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. Rasmussen and seconded by Ms. Melton to approve the Minutes of the April 15, 2025 meeting, as presented.

A roll call vote was taken with no objections.

The motion to adopt the April 15, 2025 Minutes was approved unanimously.

Public Testimony:

Mr. Ushijima introduced Mary Dale from U.S. Small Business Administration (SBA) who was present to provide testimony on behalf of the Pakini Fund Grant Proposal.

NEW BUSINESS:

Approval of CBED Grant of \$10,000 to Institute for Native Pacific Education and Culture (INPEACE) for the 2025 Made In Hawaii Festival

Mr. Ushijima introduced Lisa Pakele, the INPEACE Program Manager for the Center for Entrepreneurship to provide an overview of the support given to INPEACE's Native Hawaiian businesses during the Merrie Monarch Festival, noting that nine (9) businesses generated \$290,000 in sales.

Ms. Pakele (INPEACE) summarized the use of the previous grant that INPEACE received from CBED and recapped that INPEACE was able to support nine (9) businesses and cover event fees for them to participate in the Kako'o Market at the 2025 Merrie Monarch Festival from April 24-26. INPEACE was able to provide the participating businesses with workshops, marketing and networking support leading up to the festival. At the festival Ms. Pakele also organized meetings for each business owner to speak with Derek Kurisu, the Executive Vice President of KTA Supermarkets. Ms. Pakele reiterated that the 9 businesses were able to generate more than \$290,000 in sales collectively.

Mr. Ushijima then asked if there were any questions from the Council. Since there were none he then transitioned to Ms. Pakele's new proposal for a grant for \$10,000 to support INPEACE's businesses' participation in the 2025 Made In Hawaii Festival (MIHF). He noted that this would be the fifth year that CBED partnered with INPEACE and that the partnership allows businesses to receive sponsorship for no more than two (2) years in a row. This agreement allows companies to grow and become self-sustaining while also allowing new companies to participate each year.

Ms. Pakele thanked the Council for the opportunity and spoke about the long-time partnership that INPEACE and CBED had with the MIHF, the selective process used in identifying participating businesses, and support and technical assistance provided to these businesses to ensure that they are prepared and successful at the Festival. Ms. Pakele added that with the support received from CBED in 2024, the five (5) businesses that attended the MIHF earned over \$115,000 in sales.

Ms. Rasmussen asked if INPEACE's mission includes companies statewide or if it was Oahu-focused. Ms. Pakele said that INPEACE serves Native-Hawaiian owned businesses on all islands including some on the US continent. Ms. Rasmussen followed up asking if that last cohort of businesses included any from the neighbor islands and Ms. Pakele confirmed that there were Hilo based businesses in last year's cohort. Ms. Rasmussen noted that that the Made In Maui Festival would be a good place to find future and potential INPEACE businesses. Ms. Pakele acknowledged that and noted she has not been able to attend the Made In Maui Festival previously for budgetary reasons but hoped that she would be able to in the future.

Ms. Barr asked which types of businesses generated the most sales. Ms. Pakele apologized that she didn't have that information available but noted that the majority of the businesses in INPEACE's cohort were product based versus food based.

Mr. Cole asked for clarification for the public on what agenda items were being discussed and Mr. Ushijima said that it was Old Business Item Number 2 and New Business Item Number 1.

A motion was made by Ms. Rasmussen and seconded by Ms. Lo to recommend approval of the DBEDT/CBED grant of \$10,000 to INPEACE for the 2025 MIHF.

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

The motion was approved.

Approval of CBED Grant of \$75,000 to the Pakini Loan Fund: \$50,000 to fund their micro loan program and \$25,000 for operational expenses needed for the Native CDFI certification process

Mr. Ushijima introduced Lei Riedel of the Pakini Loan Fund. Ms. Riedel thanked the CBED Advisory Council and reminded them of the Pakini Loan Fund's mission: to increase economic opportunity for providing the financial resources necessary to enhance the personal and entrepreneurial capacity of Native Hawaiian individuals, businesses, and community organizations on the Waianae Coast and throughout the State of Hawaii. She continued to present an overview of their micro loan program which includes technical assistance and individualized support for potential and current participants and provided an update of how the support they received last year from CBED was used to fund their micro loan program.

- KC Construction: A new business building dwellings and managing renovations, with two (2) full-time employees and five (5) subcontractors.
- Ho'omanupono, LLC: A company who gained entry to four (4) acres of land from the Department of Hawaiian Homeland for a homestead and agriculture project in west Oahu. They are clearing and preparing 1.7 acres of land for community-based use.
- Costa Customs: A mobile welder/fabricator who used funding for equipment and has increased his income and work significantly since receiving a loan.

Ms. Lo asked how long KC Construction had been in operation. Ms. Riedel stated that they just completed their first year in business. She added that most of the businesses the Pakini Fund supports are less than two (2) years old since new businesses have trouble qualifying for traditional financing and tend to have a lower credit score or discrepancies on their credit report.

Ms. Rasmussen asked if the Pakini Loan Fund supports businesses state-wide. Ms. Riedel stated that they do and currently have clients on Kaua'i and Hawai'i island.

Mr. Ushijima summarized the work that the Pakini Loan Fund does and mentioned to the Council that they are a long-time partner of CBED. He also reminded the Council that they are an emerging Native CDFI who will be applying for their certification status in Fall 2025. He also noted that because CBED does not have the capacity to do micro

lending, in supporting the Pakini Fund, CBED is helping to fill this need and build a pipeline of companies who will eventually be ready for a regular CBED loan.

Ms. Riedel made the Pakini Loan Fund's proposal to the Council for a \$75,000 grant. \$25,000 to be used for operational cost as they work toward their Native CDFI status and \$50,000 to go towards the Pakini Loan Fund's loan fund to continue their micro loans program. Ms. Riedel noted that they currently have a \$1.6 million need on our books.

Ms. Askew asked Ms. Riedel if she could speak to the potential impact that Federal Funding cuts will have on Native CDFIs and what her strategy is to mitigate this. Ms. Riedel acknowledged that the Department of Treasury has experienced cuts with almost a 90% reduction in their CDFI budget. The Pakini Loan Fund has had funding rescinded and has had to pivot to find other partners that include Council for Native Hawaiian Advancement, Office of Hawaiian Affairs, and Kamehameha Schools. She noted that these partners have also experienced challenges.

Ms. Askew acknowledged the challenges and thanked Ms. Riedel.

Ms. Dale of the Small Business Administration (SBA) offered testimony on behalf of the Pakini Loan Fund. She acknowledged their work with CBED in loan servicing, the technical services they provide and their potential to become a SBA backed micro lender.

A motion was made by Ms. Lo and seconded by Ms. McAluney to recommend approval of the DBEDT/CBED grant of \$75,000 to the Pakini Loan Fund for their micro loan program and for operational support in their Native CDFI certification process.

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

The motion was approved.

Announcements

Mr. Ushijima thanked everyone for their time. He also announced that in the last legislative session, there was a bill before the legislature that attempted to reclaim special funds, which included the CBED's budget to help make up for anticipated federal budget cuts. He said that although that bill did not pass out of committee, the legislature is planning to reconvene this summer for a special session. As a result, CBED will need to be mindful in the event this bill should be reintroduced.

NEXT MEETING:

Jun17, 2025 at 10:00 a.m.

ADJOURNMENT:

The meeting ended at 10:54 a.m.

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Respectfully submitted,

For



Nancy Elvira Lo, Chair

June 3, 2025
Date