

**COMMUNITY-BASED ECONOMIC DEVELOPMENT (CBED)  
ADVISORY COUNCIL MEETING  
Tuesday, July 15, 2025, 10:00 a.m.**

## **Old Business**

Approval of CBED Advisory Council Meeting Minutes for  
May 20, 2025

**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, 5<sup>th</sup> 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 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



### **New Business**

Recommendation/Approval of a CBED Loan of \$87,500 to TC Kokua, LLC, a Maui-based, customer and technical services company that provides clients with customer call center and contact services. Clients receive technical excellence combined with culturally attuned customer care and local understanding. Co-lending with Feed the Hunger Fund (FTHF), which will also make a loan of \$87,500 for a total loan of \$175,000. The CBED/FTHF loan will fund the expansion of TC Kokua, LLC's Kihei facilities, five new customer service agents, technology upgrades, marketing efforts and cash flow stabilization enabling the business to increase capacity. The CBED loan will have a term of seven (7) years with an interest rate of 5.5%. Underwriting review by Eric Bowman, Loan Officer, FTHF.

**FEED THE HUNGER FUND**  
**Loan Narrative**

- **Business Name:** TC Kokua, LLC
- **Borrower Name:** Max Tsai
- **Borrower Social/Website:** [www.tckokua.com](http://www.tckokua.com) / [www.instagram.com/tc\\_kokua](http://www.instagram.com/tc_kokua)
- **Does the borrower have previous Loans:** No
- **Borrower Risk Rating:** 2
- **Loan Amount:** \$87,500
- **Interest Rate:** 5.5%
- **Term (Months):** 84
- **Conditions on loan approval:**
  - Approval by CBED for \$87,500
  - Approval by SSBCI/HICAP
- **Grant Amount:** N/A
- **Funding Source:** DBETD/CBED and SSBCI/HICAP

**PROS:**

- **Experienced Leadership:** The applicant has over 30 years of business experience, including leading TC Kokua for 24+ years through multiple economic disruptions.
- **Niche Market Advantage:** TC Kokua serves a culturally specific, underserved market with limited local competition, offering high client retention and pricing power.
- **Collateral Offered:** The borrower is willing to secure the loan with commercial real estate in Kihei, estimated to have sufficient equity.
- **Target Market:** While the business has done well in previous years and has recovered, the past 5 years have left the applicant low income. Additionally, the owner, Max, is a naturalized immigrant.

**CONS:**

- **Customer Concentration Risk:** Heavy reliance on a few large contracts, especially with the state, can pose revenue volatility if one is lost. The company has a history of strong client retention and is actively diversifying into both public and private sector clients.

- **Limited Size and Scale:** As a small business with 10–15 employees, TC Kokua may face challenges scaling quickly or absorbing operational shocks. The planned expansion includes hiring, infrastructure investments, and a 24/7 support partnership that reduces in-house risk.
- **Geographic Risk:** Multiple recent natural disasters (e.g., Lahaina Fire) have impacted operations and revenue. The company has demonstrated resilience and maintains a hybrid cloud-based and remote work infrastructure to ensure business continuity.

**NARRATIVE:** (please be sure to include use of funds)

### **Applicant**

Maxwell Tsai is a seasoned entrepreneur and technology executive with over 30 years of global business experience. He is the founder of TC Kokua, LLC, a Hawaii-based customer contact outsourcing firm, and manages MXT Holdings, LLC. He has successfully led his business through multiple economic disruptions, including the COVID-19 pandemic and the 2023 Maui wildfires, achieving growth during periods when many companies contracted.

In addition to his business ventures, Mr. Tsai serves on several civic and nonprofit boards. His leadership has earned him recognition as the SBA Small Business Person of the Year for Maui County and as one of Pacific Business News's "Top 40 Under 40."

### **Business Concept**

TC Kokua is a Maui-based call center delivering high-quality, culturally attuned customer service across multiple platforms, including phone, email, SMS, and web chat. The company combines advanced communication technology with Hawaii's cultural values, offering clients a specific blend of technical excellence and local understanding.

Its diverse client base includes the Hawaii State DMV (representing 30–40% of revenue), Bacon Universal, and businesses across tourism, construction, landscaping, and government sectors. Past clients included Kualoa Ranch and Mokulele Airlines. The company also provided disaster assistance services, as seen in its role supporting the Entertainment Industry Foundation following the Lahaina fires.

TC Kokua stands out by offering flexible, remote-friendly employment, particularly benefiting individuals with barriers to traditional jobs, including those with disabilities and caregivers. Of its 8 current employees, 6 are based on Maui, with others working remotely from Oahu and the continent. Staffing has been a persistent challenge in Hawaii's labor market, particularly on Maui, but the company's remote model has enabled access to a broader talent pool.

The company's business model is resilient and scalable. Each employee can handle up to 100 customer calls daily, contributing approximately \$80,000 to \$90,000 in revenue per year. The company has demonstrated an ability to double revenue with each new employee added, making staff expansion a direct driver of revenue growth.

Historically focused on tourism, the company is actively diversifying into government, healthcare, funeral services, and senior care markets, capitalizing on the demand for locally based, culturally sensitive customer service. TC Kokua is pursuing minority-owned business certification to access more government contracts and has recently engaged in discussions with Alaska Airlines and state health agencies.

Pricing has been adjusted upward with no observable client attrition, reflecting the company's strong value proposition. Investments in rebranding, website upgrades, and social media marketing are further supporting this growth trajectory.

### Loan Use

TC Kokua is requesting a \$175,000 working capital loan to support its next phase of growth as follows:

- \$75,000: Liquidity and cash flow stabilization
- \$30,000: Expansion of office facilities
- \$20,000: Enhanced sales and marketing efforts, including rebranding (e.g., Telecommunications Kokua) and digital campaigns
- \$30,000: Hiring and training 5 new customer service agents (estimated at \$6,000 per hire, inclusive of training, onboarding, and equipment)
- \$20,000: Technology upgrades, including remote workstation setup and infrastructure improvements

These investments will expand TC Kokua's service capacity, enable entry into new markets, and stabilize operations through shoulder seasons. As collateral, the borrower is offering commercial property in Kihei with sufficient equity to secure the loan.

### ● PHOTOS:



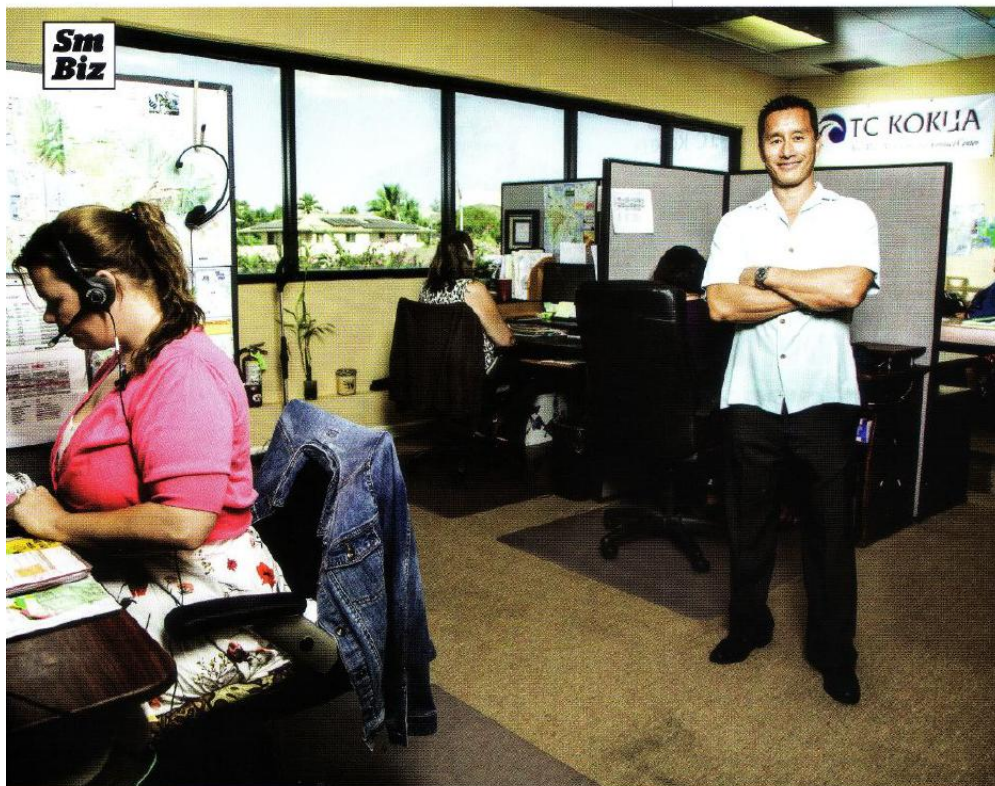
**Francesco Forti**

1 review



★★★★★ 6 months ago

Highly Recommend! We have been using TC Kokua's call services for quite some time now and have been very happy with their team. They offer a very robust call center team that takes a load off our staff and feels like an extension of our company. We mostly use them for bookings and customer support but they are able to do so much more. Customizing their services to help small businesses have professional level call team is the best!



LOCAL-KINE BIZ

## TRANSMITTING ALOHA OVER THE PHONE

BY JACKIE M. YOUNG  
PHOTOGRAPHY BY CHRIS J. EVANS

Owner Max Tsai supplied the T in TC Kokua's name back when it was launched in 2001. A few months later, 9/11 happened and the economy turned south. Today, the company is the black.



Loan Presentation:			
Date:	6.27.25	Total Project Cost:	\$ 178,214.14
Business:	TC Kokua	Loan amount requested:	\$ 87,500.00
Principal Name(s):	Max Tsai	Recommended Interest rate:	5.5%
Address: <i>Business Address</i>	310 Ohukai Rd #311; Kihei HI 96753	Term / Amortization:	84
Business Type:	Existing	RISK RATING:	2
FTHF Loan Client:	No	Access to Other Capital:	
Loan Status:			
Business Structure:	Limited Liability Company		
Purpose of Loan:	Working Capital		
Jobs created:	4		
Jobs retained:	6		
Ownership Structure:	100% Max Tsai	Business description:	TC Kokua is a customer contact center that delivers culturally attuned, multi-channel support services across voice, email, SMS, and web chat. Founded over 20 years ago, the company combines advanced communication technology with local values to serve government, healthcare, education, and private sector clients. With competitive pricing and deep community roots, TC Kokua offers a high-quality alternative to mainland and offshore call centers.

COLLATERAL								
Type	Source of Value	Date of Value	Gross Value	Discount rate	Net Value	Prior liens	equity	
Vehicle 1	KBB	6/18/2025	\$ 81,000	80%	\$ 64,800	\$ 10,129	\$	54,671
Vehicle 2	KBB	6/18/2025	\$ 78,000	80%	\$ 62,400	\$ 72,307	\$	-
Office Furniture	Borrower	6/18/2025	\$ 22,500	50%	\$ 11,250	-	\$	11,250
Total			\$ 181,500		\$ 138,450		\$	65,921
Collateral coverage							0.38	

SOURCES	
Lender	Amount
FTHF	\$ 87,500
CBED	\$ 87,500
Equity	\$ 3,214
Total	\$ 178,214

USES	
Uses	Amount
CapEx	\$ 50,000
Working Capital	\$ 128,214
Debt Refi	
Total	\$ 178,214

FEES			
Closing Fee:	2.5%	\$	2,188
Wire Transfer Fee		\$	40
Application fee:		\$	-
Borrower to pay all out of pocket expenses			

## FTHF Risk Rating Chart

Date: 6.27.25

Borrower: TC Kokua

Loan Officer: Eric Bowman

**Rate each category from 1 to 5**

Rating	1	2	3	4	5	Score
Personal Net Worth	>\$100K	\$51K-\$100K	\$1-\$50K	\$0-(\$10K)	<(\$10K)	1
GDSC	>1.5x	1.31x-1.5x	1.2x-1.3x	Unacceptable	Unacceptable	1
Collateral Coverage	>100%	75-100%	50-74%	5-49%	<5%	4
Quick Ratio*	>150%	110-150%	100-109%	75-99%	<75%	1
Credit Score	>700	651-700	621-650	600-620	<600	1
Years In Industry	>9	8-9	4-7	1-3	0	1
Years of Industry Management	>5	3-5	1-2	<1	0	1
Owners Equity Into Transaction	>25%	16-24%	10-15%	1-9%	0	4
Business Profitability	Profitable 4 of last 4 years	Profitable 3 of last 3 years	Profitable 2 of last 3 years	Profitable 1 of last 3 years	<2 years operating or non-profitable	3
Business debt ratio**	<70%	71-80%	81-90%	91-100%	>100%	1

\*Quick Ratio: (Current Assets - Inventories) / Current Liabilities

0.99

\*\*Business debt ratio: Total Liabilities / Total Assets

1.24

1.8

Loan Score	2
1	Excellent
2	Good
3	Acceptable
4	Poor
5	Unacceptable

### Business related only

Current assets	\$	109,545	Cash + loan			
Inventories						
Current Liabilities	\$	110,100	1 yr of			
Total assets	\$	443,040	Commerical Condo + Business Assets			
Total Liabilities	\$	548,032				