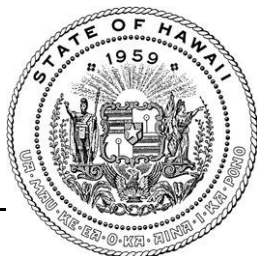


**COMMUNITY-BASED ECONOMIC DEVELOPMENT
(CBED)
ADVISORY COUNCIL MEETING
Tuesday, April 21, 2026, 10:00 a.m.**



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKĀ'I

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
Lt. GOVERNOR

JAMES KUNANE TOKIOKA
DIRECTOR

DANE K. WICKER
DEPUTY DIRECTOR

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

Tuesday, April 21, 2026, 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 MS Teams Meeting

<https://teams.microsoft.com/meet/291481206785579?p=FLLdTpwKrGLHDvEpLu>

Meeting ID: 291 481 206 785 579

Passcode: Vp7zo6tJ

By phone

+1 808-829-4853

Phone conference ID: 429 320 772#

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 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 Teams 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 moderator 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.

CBED Advisory Council Meeting AGENDA

April 21, 2026, 10:00 AM

I. Call to Order

- i. Introduction of Council Members and guests

II. Old Business

- i. Approval of CBED Advisory Council Meeting Minutes for March 17, 2026.

III. New Business

- i. Recommendation/Approval of a CBED Loan of \$25,000 to OCR, dba Small Kine Farm. Owner Fung Yang has been cultivating organic compost and mushrooms in Waimanalo since 2009 and sells organic mushrooms at farmers markets on Oahu and to local wholesalers. Yang currently has a \$50,000 loan with CBED in good standing. Water damage from the recent Kona Low Storm systems has impacted his supplies of composting and growth materials. He is seeking an additional \$50,000 to help him recover. Servicing to be done by the Hawaii Department of Agriculture & Biosecurity (DAB) for a \$25,000 CBED loan. This CBED request is made concurrently with a separate DAB \$25,000 Emergency loan. CBED loan terms: 5 years at 4%. Underwriting review by Wayne Takamine, Loan Officer, DABS.

IV. Announcements

- i. Legislative Update
- ii. CBED Loan Portfolio Update

V. Next Meeting: May 19, 2026, 10am

VI. Adjournment

If you need an auxiliary aid/service or other accommodation due to a disability, contact Selma Malcolm 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
March 17, 2026

DRAFT

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM (DBEDT)

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

**TUESDAY, MARCH 17, 2026 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 TEAMS: VIDEO/AUDIO CONFERENCE

Advisory Members Present were:

Karen Barr	-	Advisory Council Member (Oahu)
Roberta Melton	-	Advisory Council Member (Kauai)
Will Smith	-	Advisory Council Member (Kauai)
Colleen McAluney	-	Advisory Council Member (Oahu)
Lesley Harvey	-	Department of Agriculture (Ex-Officio)
Jason Ushijima For Dennis Ling (Ex-Officio)	-	Department of Business, Economic Development & Tourism (DBEDT)

Guests:

Eric Bowman	-	Feed the Hunger Fund (FTHF)
Lisa Pakele	-	Institute for Native Pacific Education & Culture (INPEACE) Center for Entrepreneurship

Staff:

Nicholas Kido	-	Attorney General's Office
Timothy Tiu	-	DBEDT
Ram Arnan D. Braza	-	DBEDT
Selma Malcolm	-	DBEDT

Apologies:

Josephine (Poni) Askew	-	OHA Representative
Teena Rasmussen	-	Advisory Council Member (Maui)
Michelle Agbigay	-	Advisory Council Member (Hawaii)
Kaiana Niezman	-	Advisory Council Member (Hawaii)

CALL TO ORDER:

Mr. Ushijima called the meeting to order on Tuesday, March 17, 2026, at 10:00 a.m., and welcomed all present. All members participated via Microsoft Teams. A roll call was conducted, and all members confirmed they were alone in their respective locations.

Mr. Ushijima welcomed Ms. Harvey as the new ex-officio member representing the Department of Agriculture and Biosecurity.

OLD BUSINESS:

Approval of Minutes of August 19, 2025:

Minutes of the August 19, 2025, meeting were distributed and 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. Melton and seconded by Mr. Smith to approve the Minutes of the August 19, 2025 Meeting, as presented.

Mr. Ushijima asked if there were any objections and there were none. The motion to adopt the August 19, 2025 Minutes was approved unanimously.

Public Testimony:

There was no public testimony.

NEW BUSINESS:

1. Approval of CBED Loan of \$60,000 to Gifts by the Sea, Inc.:

Mr. Ushijima introduced the prospective loan to Gifts by the Sea, Inc., a family-owned, Honolulu-based manufacturer of eco-friendly bamboo stickers. The total financing package would be \$150,000, to be co-lent with Feed the Hunger Fund (FTHF):

FTHF: \$90,000

CBED: \$60,000

Mr. Bowman of Feed the Hunger Fund presented background information on the company, noting that Gifts by the Sea, Inc., was a business that has operated for seven (7) years and is profitable. The loan would be used to increase liquidity, reduce operating costs, and support a shift from air freight to more cost-efficient ocean freight. He continued that Gifts by the Sea Inc., holds several recurring wholesale accounts, including local retailers and Disney Cruise Lines.

Mr. Ushijima added that the business is located in the Urban Honolulu Enterprise Zone near Kaka'ako. He then asked if there were any questions.

Ms. Melton inquired about equipment ownership versus leasing. Mr. Bowman clarified that while the business owns some equipment, they do lease some of the larger machines with plan to change that in the future.

Ms. Melton asked if the business had applied for the Manufacturing Assistance Program (MAP) grant through the Hawaii Technology Development Corporation (HTDC). Mr. Bowman was not sure but agreed to follow up with the business owner.

Mr. Ushijima asked if there were any more questions. There were none so he made a motion to recommend approval of the loan and called for a vote.

A roll call vote was taken with all Council members voting unanimously. Mr. Bowman thanked the CBED Advisory Council and left the meeting.

2. Approval of CBED Grant of \$8,000 to the Institute for Native Pacific Education & Culture (INPEACE) Center for Entrepreneurship for the Merrie Monarch Festival

Mr. Ushijima introduced Ms. Lisa Pakele of the Institute for Native Pacific Education & Culture (INPEACE) Center for Entrepreneurship (C4E). He noted that Ms. Pakele was previously the INPEACE C4E Director but was now in a transitional role and that she would continue working with the organization to help Native Hawaiian entrepreneurs make it to this year's Merrie Monarch Festival in April. Mr. Ushijima noted CBED's previous support for the organization and stated that this year, INPEACE was seeking an \$8,000 grant to support a cohort of seven (7) O'ahu-based businesses to participate in three (3) marketplace venues during the Merrie Monarch Festival.

Ms. Pakele stated that INPEACE is grateful for CBED's support over the last six (6) years and noted the successful use of the grant INPEACE had received from CBED for the 2025 Festival. She confirmed that although she was in a transitional role, that she would be traveling to the Festival in Hilo, HI to escort and provide support for the seven (7) INPEACE businesses. She emphasized the importance of the Merrie Monarch Festival and how it offers an unparalleled opportunity for small businesses to increase their visibility to a larger state-wide audience.

Ms. Pakele explained the coaching and assistance she and INPEACE provide to businesses. She and Mr. Ushijima explained how this funding would be used for travel costs, logistics and marketplace fees at the event. They also provided details about the cohort of businesses and noted that of the seven (7) INPEACE

companies going to the festival this year, three (3) of them were youth owned and have won entrepreneurship awards.

Mr. Ushijima asked the Council if they had any questions.

Ms. Barr noted that she was familiar with some of the youth businesses and had seen them at a recent event and provided her support for this initiative.

With no other questions or comments, Mr. Ushijima asked if anyone would like to make a motion recommending that CBED provide a grant of \$8,000 to INPEACE to support seven (7) Native Hawaiian owned companies to attend the Merrie Monarch Festival in April.

The motion was made by Ms. Melton and seconded by Ms. Barr. A roll call vote was taken with all Council members voting unanimously. Ms. Pakele shared her thanks and appreciation with the CBED Advisory Council and left the meeting.

Announcements

Mr. Ushijima made the following announcements:

1. Legislative Update – Senate Bill 2921

- SB2921 concerns statewide reclamation of special fund balances.
- The CBED Special Fund is one of the funds at risk of reclamation.
- The bill moved quickly through the Senate and is now with the House Committee on Finance.
- Mr. Ushijima will notify Council members of hearing dates and testimony deadlines should the bill be scheduled for a Finance committee agenda. Members were encouraged to submit written testimony supporting CBED's mission and continued funding.

2. Loan Portfolio Update

- At the end of 2025, CBED had supported 18 companies with a total loan portfolio of \$1.54 million, all in good standing at that time.
- One loan recipient, Lubrco, LLC, notified CBED's Loan servicing partner, The Pakini Loan Fund, in February that they had ceased operations.
- CEED is coordinating next steps with the loan servicer and the Attorney General's office.
- Referencing his experience as a commercial lender, Mr. Smith acknowledged that although difficult, loan losses are expected in mission-based lending. He also noted that if the CBED portfolio did not have any losses, then CEED would not be delivering on its mission.

NEXT MEETING:

April 21, 2026, at 10:00 a.m.

ADJOURNMENT:

The meeting ended at 10:38 a.m., on a motion by Mr. Smith and seconded by Ms. McAluney.

There were no objections and the motion was approved unanimously.

Respectfully submitted,



Jason S. Ushijima
Branch Chief, BSB BDSD

3/23/2026

Date

New Business

Recommendation/Approval of a CBED Loan of \$25,000 to OCR, dba Small Kine Farm. Owner Fung Yang has a been cultivating organic compost and mushrooms in Waimanalo since 2009 and sells organic mushrooms at farmers markets on Oahu and to local wholesalers. Yang currently has a \$50,000 loan with CBED in good standing. Water damage from the recent Kona Low Storm systems has impacted his supplies of composting and growth materials. He is seeking an additional \$50,000 to help him recover. Servicing to be done by the Hawaii Department of Agriculture & Biosecurity (DAB) for a \$25,000 CBED loan. This CBED request is made concurrently with a separate DAB \$25,000 Emergency loan. CBED loan terms: 5 years at 4%. Underwriting review by Wayne Takamine, Loan Officer, DABS.

State of Hawaii
Department of Business Economic Development and Tourism (DBEDT)
Community Based Economic Development (CBED)

April 21, 2026

State of Hawaii
Dept. of Business, Economic Development & Tourism (DBEDT)
Community Based Economic Development (CBED)
250 S Hotel St.
Honolulu, HI 96813

SUBJECT: Loan Presentation

APPLICANT: Fung Yang, Owner
OCR Inc. dba Small Kine Farm
P.O. Box 600
Kailua, HI 96734

Farm Location:
41-829 Kakaina Street
Waimanalo, HI 96795
(Waimanalo Enterprise Zone, City & County of Honolulu)

**CLASSIFICATION
& ELIGIBILITY**

The applicant meets the general eligibility requirements of section 155-10 and as “qualified farmers” as cited in 155-1 of the Hawaii Revised Statutes. OCR Inc. dba Small Kine Farm (OCR) has been operating as an S-Corporation since January 10, 2006, and currently has five (5) employees. Fung Yang is the sole stockholder for OCR and Hawaii resident since 2004.

COMMODITY: Organic Mushrooms

**OTHER STATE
AGRICULTURAL
LOANS:**

DAB Ag. Loan: \$226,299, (\$201,299 + Proposed: \$25,000)

This CBED request is made concurrently with a separate Department of Agriculture and Biosecurity (DAB) \$25,000 Emergency loan.

**LOAN REQUEST
& PURPOSE:**

OCR, Inc. (OCR), dba Small Kine Farm, is requesting a CBED operational loan to purchase operational supplies:

CBED Loan for operational expenses:

Operational Supplies est:

\$7,000	Peat Moss
\$5,500	Lime
\$2,500	Gypsum
\$6,500	Bone Meal
<u>\$3,500</u>	<u>Chicken Manure</u>
\$25,000	Total

This CBED operational loan request is to purchase mushroom substrate inputs at a price break to increase the volume and efficiency of mushroom production.

OCR, dba Small Kine Farm, suffered storm damage on March 16, 2026 that resulted from the Kona Low storm. Flooding and heavy rain has left his mushroom substrate growth media unusable for production. The loss is estimated at \$20,000 lost in mushroom production.

SECURITY:

The DAB Class-DD \$25,000 Emergency loan and the proposed CBED \$25,000 Operating loan will be secured by the following:

- Junior Position UCC blanket security interest and financing statement including all crops, receivables, inventory, furniture, fixtures, supplies, etc.
- Priority position held by USDA Farm Service Agency (FSA) will subordinate their lien positions to allow the proposed loan to obtain the priority lien position to secure this request

Shown below is the Loan to Value Ratio (LTV):

$$\frac{\text{DAB: } \$226,266 + \text{CBED: } \$61,326 = \text{Balance } \$287,591}{\text{Lease Improve. } \$110,916 + \text{Chattel } \$577,235 = \$688,151} = \text{LTV } 41.8\%$$

OCR, Inc. Loan To Value ratio based on DAB and CBED loan balances of \$287,591 over Lease Improvements and Chattel of \$688,151. The LTV ratio of 41.8% that meets statutory requirements.

Affirmative Covenants:

- Borrower shall maintain hazard insurance and commercial liability insurance with the Agricultural Loan Division.
- Collateral Assignment of Keyman Life Insurance in the amount of

\$250,000 to the State of Hawaii, Department of Agriculture

GUARANTORS: None

**FINANCIAL
CONDITION:** SEE EXHIBIT A (CONFIDENTIAL)

**REPAYMENT
ABILITY:** SEE EXHIBIT A (CONFIDENTIAL)

CREDIT HISTORY: SEE EXHIBIT A (CONFIDENTIAL)

INSURANCE: Hazard insurance with the State named as first mortgagee.
Commercial Liability Insurance.

Keyman life insurance on the owner of \$250,000.

**BACKGROUND/
MANAGEMENT
ABILITY:**

OCR INC. dba SMALL KINE FARM

Mission Statement:

Using innovative production techniques and strong local relationships, OCR Inc. dba Small Kine Farm (“SKF”) delivers agricultural products that are perfectly suited to Hawaii’s needs, reflect environmentally responsible values, and are ideal substitutes for expensive mainland imports.

Oahu Community Recycling Inc. (OCR) was registered with the Honolulu Department of Commerce and Consumer Affairs (DCCA) by owner Fung Yang on January 10, 2006, as an agricultural composting company. Later that year Mr. Yang visited an Oregon organic mushroom farm and was introduced to genus Agaricus mushroom cultivation, better known as Portabella and Crimini mushroom farming. Mr. Yang was so inspired by the process that in May of 2007, he began building a 500 sq.ft. test facility to experiment and grow organic mushroom in an old Waimanalo warehouse. He later expanded his operation to a 10,000 sq.ft. facility at 41-829A, Kakaina St.

In 2009, OCR was awarded a three year \$500,000 USDA Small Business Innovation Research Grant to develop growth substrates for mushrooms from local organic waste. In 2015, OCR began to position itself as an organic Portabella and

Crimini mushroom producer by adopting “Small Kine Farm” (SKF) as its business trade name. After ten years of experimenting and testing, Mr. Yang expanded his operation and began selling his mushroom to restaurants and organic retailers such as Down to Earth and Whole Foods.

SKF uses local “green waste” such as coconut tree cuttings as the base for compost substrate material to cultivate genus *Agaricus* mushrooms. The Portobello mushrooms typically grows to 5.5” in diameter with Crimini mushrooms being smaller in size. Mr. Yang consulted with several specialist including Dr. Theodore J.K. Radovich, Department of Tropical Plants and Soil Science, UH, Dr. George Wong, Associate Professor of Botany, UH and noted mushroom specialist Dr. David Beyer, Penn State University.

By using proprietary innovations and sustainable practices, SKF produces high quality organic and food safety certified mushrooms for local restaurants, natural food stores and retailers with no seasonal variations. SKF’s zero waste agriculture model uses recycled materials for inputs with no irrigation runoff, no soil nutrient depletion and minimal land requirements. The result is an environmentally responsible local agricultural product that can compete directly with mainland competitors on price as well as quality.



SUMMARY:

The applicant provides a solid executive level management background with the ability to synthesize extensive research to successfully grow 100% natural *Agaricus* mushrooms. Mr. Yang has developed a proven technique to sustainably grow high quality USDA certified organic mushrooms and deliver them to

local retailers and restaurants shows SKF has sufficient ability to service this debt.

TURNDOWNS:

The borrowers have been denied credit from Central Pacific Bank. Reasons for the denial:

- 04-02-2026: CPB Bank would not be able to offer a favorable agricultural loan.

RECOMMENDATIONS:

This loan is recommended for approval based on the applicant's innovative farming techniques, financial management ability, strong secondary sources of repayment, collateral offered, and excellent credit. DAB Loan Committee will meet on April 28 to review the DAB portion of the loan. The CBED recommendation is subject to the approval of the DAB loan committee's approval of their portion of the loan.