



CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII 96813-3077

COMMITTEE ON BUDGET

Voting Members:

Radiant Cordero, Chair
Matt Weyer, Vice Chair
Esther Kia'aina
Calvin K.Y. Say
Augie Tulba

AGENDA

REGULAR MEETING
CITY COUNCIL CHAMBER
TUESDAY, FEBRUARY 28, 2023
9:00 A.M.

PUBLIC PARTICIPATION AND TESTIMONY

Pursuant to Section 92-3.7, Hawai'i Revised Statutes, this meeting will be conducted as a remote meeting by interactive conference technology, with the following procedures in effect for the meeting:

VIEWING THE MEETING

The meeting will be viewable: (1) by internet live streaming through <https://www.honolulucitycouncil.org/meetings>; (2) by televised live broadcast on 'Ōlelo TV Channel 54; and (3) on the monitor situated outside the Council Chamber. Viewers who experience a loss of viewing signal should try switching to another viewing option.

After the meeting, the meeting will be viewable on demand at <https://www.honolulucitycouncil.org/meetings>. Copies of older meeting videos may be requested by calling the City Clerk's Office at (808) 768-5822, charges may apply.

Some Councilmembers and presenters may be participating in the meeting by interactive conference technology from remote locations.

ORAL TESTIMONY

Oral testimony will be permitted on all items on the agenda. Each speaker may not have anyone else read their statement and is limited to a one-minute presentation.

Remote Testimony

1. For direct access to submit oral testimony call: +1-253-215-8782, enter ID **85262615256** and Passcode **769050**.
2. To testify by videoconference visit: <https://hnlidoc.ehawaii.gov/hnlidoc/testimony>. Videoconference access information will be provided upon registration. Testifiers are encouraged to register/submit testimony at least 24 hours prior to the meeting.

In-Person Testimony in the Council Chamber

Persons wishing to testify are requested to register by 9:00 a.m. by filling out the registration form in person outside the Council Chamber. Persons who have not registered will be given an opportunity to speak following the oral testimonies of the registered speakers.

Oral testimony will be allowed when each agenda item is taken up, in the following order:

1. **Remote testimony;**
2. **In-person testimony in the Council Chamber.**

WRITTEN TESTIMONY

Written testimony may be uploaded at <https://hnlidoc.ehawaii.gov/hnlidoc/testimony> or mailed to Office of the City Clerk, Attention: Information Section, 530 South King Street, Room 100, Honolulu, HI 96813. If submitted, written testimonies, including the testifier's address, email address, and phone number, will be available to the public at <https://hnlidoc.ehawaii.gov>.

Should you have any questions, please call (808) 768-3819 or send an email to darcie.nago@honolulu.gov.

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MATERIALS AVAILABLE FOR INSPECTION

Meeting materials ("*board packet*" under HRS Section 92-7.5) are accessible at <https://hnlidoc.ehawaii.gov/hnlidoc/browse/agendas> by clicking on the appropriate Committee meeting.

If you need auxiliary aid/service or other accommodation due to a disability or an interpreter for a language other than English, please call the Office of the City Clerk Information Section at (808) 768-5822 between 7:45 a.m. and 4:30 p.m. or send an email to darcie.nago@honolulu.gov at least three (3) business days before the scheduled meeting. It may not be possible to fulfill requests received after this date.

INFORMATIONAL BRIEFING

1. **DISCUSSION WITH MAUI COUNTY'S DEPARTMENT OF FINANCE DIRECTOR SCOTT TERUYA REGARDING REAL PROPERTY TAX CLASSIFICATION (NON-OWNER AND OWNER-OCCUPIED).**

FOR ACTION

2. **RESOLUTION 23-28 – GRANT OF EASEMENT TO HAWAIIAN ELECTRIC COMPANY, INC.** Approving a grant of easement to Hawaiian Electric Company, Inc. for electrical purposes serving the Honolulu Rail Transit Project on property located at 2668 Waiwai Loop, Honolulu, Hawaii 96819 (TMK: (1) 1-1-016-006). (Transmitted by Communication [D-115](#))
3. **RESOLUTION 23-18 – ACCEPTANCE OF GIFT (OCA).** Accepting a gift valued up to \$8,000 from the Association of Local Government Auditors for travel and related expenses for two City Auditor employees to serve as team leader and member on two peer review teams in April 2023. (Transmitted by Communication [CC-30](#))
4. **RESOLUTION 23-16 – TRANSFER OF FUNDS (CCSR).** Authorizing the transfer of \$62,185 from the Provision for Grants, Partnerships and Security activity (current expenses) to the Office of the Managing Director, Office of Climate Change, Sustainability, and Resiliency activity (current expenses) for the fiscal year 2023 to provide the matching contribution required by the Federal Emergency Management Agency for the grant awarded to the City to update Shoreline and Special Management Area Regulations and conduct Department of Parks and Recreation Facility Hurricane Assessments. (Transmitted by Communication [MM-21](#))
5. **RESOLUTION 23-25 – TRANSFER OF FUNDS (DTS).** Authorizing the transfer of \$126,000 from Transportation Mobility activity (current expenses) to the Transportation Mobility activity (equipment) for fiscal year 2023 to cover a shortfall in equipment for rail operations. (Transmitted by Communication [D-104](#))

6. **RESOLUTION 23-27 – TRANSFER OF FUNDS (PAT).** Authorizing the transfer of \$120,000 from PAT Administration activity (salaries) to PAT Administration activity (current expenses) and \$144,000 from PAT Prosecution activity (salaries) to PAT Administration activity (current expenses) for the fiscal year 2023 to fund a projected current expense shortfall in office rent. (Transmitted by Communication [D-113](#))

7. **RESOLUTION 23-23 – TWENTY-NINTH YEAR ACTION PLAN.** Approving the City and County of Honolulu's Twenty-Ninth Year Action Plan for Community Development Block Grant, HOME Investment Partnerships, Emergency Solutions Grants and Housing Opportunities for Persons With AIDS program funds, and authorizing its submittal to the U.S. Department of Housing and Urban Development. (Transmitted by Communication [MM-32](#))

8. **RESOLUTION 23-29 – TRANSFER OF FUNDS (DCS).** Authorizing the transfer of \$52,414 from the Provision of Vacant Funded Positions activity (current expenses) to Administrative Services activity (salaries) and Community Assistance activity (salaries) for fiscal year 2023 to fund an existing position and two unbudgeted contract positions. (Transmitted by Communication [D-117](#))

9. **RESOLUTION 23-30 – HOME INVESTMENT PARTNERSHIP PROGRAM - AMERICAN RESCUE PLAN ALLOCATION PLAN.** Approving the City and County of Honolulu's HOME Investment Partnership Program - American Rescue Plan Allocation Plan, and authorizing its submittal to the U.S. Department of Housing and Urban Development. (Transmitted by Communication [D-118](#))

10. **BILL 45 (2021) – RELATING TO INCENTIVES FOR BUSINESSES.** Providing incentives to businesses located within certain areas to create new jobs and generate economic benefits for the City. (Bill passed second reading and public hearing held 5/4/22; Committee postponed action 9/21/22)

CD1 TO BILL 45 (2021) (Approved by the Committee at its September 21, 2022 meeting) – The CD1 (OCS2022-0749/9/20/2022 4:05 PM) makes the following amendments:

- A. Amends ROH Section 8-10.1 to allow the continuing tax exemption for the 30 year tax exemption established under ROH subdivision 8-10.__(b)(1).
- B. Repeals ROH Section 35-2.2 relating to a real property tax rebate and replaces it with a new section in ROH Chapter 8, Article 10, creating a real property tax exemption.
- C. Amends ROH subdivision 31-1.3(a)(2) to conform the qualifications for incentives to the amended definition of "eligible business."
- D. Amends ROH subdivision 31-1.3(a)(3) to require that the 100 new jobs required for the 30 year tax exemption must be created and filled throughout the 30 year exemption period.
- E. Removes ROH subsection 31-1.3(b) which established that a business may be certified as a qualified business if the business provided 50 or more new jobs.
- F. Amends proposed new ROH subdivision 31-1.3(a)(4) by reducing the minimum investment to \$75,000,000 (from \$100,000,000).
- G. Amends proposed new ROH subdivision 31-1.3(a)(5) to enable the City to utilize internal administrative analysis to determine whether a business will provide a net benefit to the City.
- H. Adds a new ROH subdivision 31-1.3(a)(6) to limit certification to those businesses that partner with an anchor institution.
- I. Deletes proposed new ROH subsection 31-1.3(d), which had originally provided for additional tax incentives.
- J. Clarifies that the exemption will apply to tax years beginning July 1, 2024 and thereafter.

- K. Makes conforming amendments to ensure consistency.
 - L. Makes miscellaneous technical and non-substantive amendments.
11. **BILL 4 (2022), CD1** – **RELATING TO REAL PROPERTY TAXATION.** Addressing the taxation of real property, particularly real property used as a transient accommodation. (Bill passed second reading and public hearing held 5/4/22)
- PROPOSED CD2 TO BILL 4 (2022), CD1** (Submitted by Councilmember Say) – The CD2 (OCS2022-0609/7/21/2022 4:08 PM) makes the following amendments:
- A. Adds a new SECTION 3 to the bill, which amends ROH Section 8-11.1 to add two new subsections that would establish two tiers of taxation for, respectively, properties in the following two classes of property: (1) bed and breakfast home and (2) transient vacation unit. For both classes, the two tiers would be for properties valued at up to \$600,000, and for properties valued in excess of \$600,000. Renumbers subsequent SECTIONS.
 - B. Makes miscellaneous technical and nonsubstantive amendments.
12. **BILL 37 (2022)** – **RELATING TO REAL PROPERTY TAXATION.** Addressing the real property county tax credit. (Bill passed first reading 6/1/22)
13. **BILL 38 (2022)** – **RELATING TO REAL PROPERTY TAXATION.** Addressing the real property county tax credit. (Bill passed first reading 6/1/22)
14. **BILL 40 (2022)** – **RELATING TO REAL PROPERTY TAXATION.** Addressing the real property tax home exemption. (Bill passed first reading 7/6/22)

RADIANT CORDERO, Chair
Committee on Budget