

# REPORT OF THE COMMITTEE ON PUBLIC INFRASTRUCTURE AND TECHNOLOGY

## Voting Members:

Andria Tupola, Chair; Calvin K.Y. Say, Vice Chair;  
Augie Tulba, Matt Weyer

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Committee Meeting Held  
September 14, 2023

Honorable Tommy Waters  
Chair, City Council  
City and County of Honolulu

Mr. Chair:

Your Committee on Public Infrastructure and Technology, which considered Resolution 23-197 entitled:

**"RESOLUTION URGING THE CITY ADMINISTRATION TO ENTER INTO NEGOTIATIONS WITH THE HAWAII GREEN INFRASTRUCTURE AUTHORITY AND TO ESTABLISH A COMMERCIAL PROPERTY ASSESSED FINANCING PROGRAM IN THE CITY AND COUNTY OF HONOLULU,"**

introduced on August 22, 2023, reports as follows:

The purpose of the Resolution is to urge the City Administration to enter into negotiations with the Hawai'i Green Infrastructure Authority ("HGIA") and to establish a commercial property assessed financing program in the City and County of Honolulu.

The Director from the Department of Budget and Fiscal Services ("BFS") testified in opposition, noting concerns about what it would take for the Department to stand-up its own program or a program administered by the HGIA.

A Representative from the HGIA testified in support, clarifying that the responsibilities of BFS related to the implementation and operation of the program would be minimal and would operate through a memorandum of understanding with HGIA.

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## HONOLULU CITY COUNCIL

*Ke Kanihela o ke Kalana o Honolulu*  
CITY AND COUNTY OF HONOLULU

ADOPTED ON **OCT 4 2023**

COMMITTEE REPORT NO. **285**

# REPORT OF THE COMMITTEE ON PUBLIC INFRASTRUCTURE AND TECHNOLOGY

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At your Committee's meeting on September 14, 2023, Michael Yaki, Todd Sharkey, Thomas Nida, Michael Pacheco, and Sal Tarsia testified in support of the Resolution. No individuals testified in opposition to the Resolution. Cliff Kellogg, Jessa Coleman, and Maria Tome offered comments on the Resolution.

Your Committee received written testimony in support of the Resolution from Hawaii Laborers & Employers Cooperation and Education Trust, Hawaii Operating Engineers Industry Stabilization Fund, Hawaii Green Infrastructure Authority, AOAO at Pat's at Punaluu, Petros PACE Finance, LLC., Plumbers & Fitters UA Local 675, Lowney Architecture, Moss Construction, C-PACE Alliance, CastleGreen Finance, Sunrise Banks, Ulupono Initiative, Nuveen Green Capital, Philadelphia Energy Authority, PACE Loan Group, Hawaii State Energy Office, IBEW Local Union 1186, and Hawaii Farm Bureau. Written testimony in opposition to the Resolution was not received. No individuals submitted comments on the Resolution.

Your Committee prepared a CD1 version of the Resolution that makes the following amendment(s):

- A. Adds a new fifth WHEREAS clause to provide that property owners need methods to finance improvements to address unfunded mandates placed on them, such as the cesspool conversion requirement imposed by Act 125, Session Laws of Hawaii 2017.
  - B. Adds a new tenth WHEREAS clause, stating that the commercial property assessed financing program would be applicable to a wide range of properties, including any property that is a multi-family residential property of five or more units, and any commercial, agricultural, or industrial properties.
  - C. Makes various technical and nonsubstantive amendments.
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Your Committee on Public Infrastructure and Technology is in accord with the intent and purpose of Resolution 23-197, as amended herein, and recommends its adoption in the form attached hereto as Resolution 23-197, CD1. (Ayes: Say, Tulba, Tupola, Weyer – 4; Noes: None.)

Respectfully submitted,

  
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Committee Chair

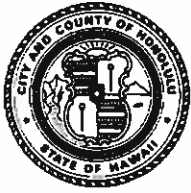
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**HONOLULU CITY COUNCIL**  
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ADOPTED ON **OCT 4 2023**

COMMITTEE REPORT NO. **285**





**HONOLULU CITY COUNCIL**  
**KE KANIHELA O KE KALANA O HONOLULU**  
CITY AND COUNTY OF HONOLULU

No. 23-197, CD1

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**RESOLUTION**

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URGING THE CITY ADMINISTRATION TO ENTER INTO NEGOTIATIONS WITH THE HAWAII GREEN INFRASTRUCTURE AUTHORITY AND TO ESTABLISH A COMMERCIAL PROPERTY ASSESSED FINANCING PROGRAM IN THE CITY AND COUNTY OF HONOLULU.

WHEREAS, in 2015, by the enactment of Act 97, Session Laws of Hawaii 2015, the State of Hawai'i ("State") set a goal for 2045 of a 100 percent renewable portfolio standard for each electric utility company that sells electricity for consumption in the State; and

WHEREAS, commercial buildings consume a substantial portion of the energy used in the State; and

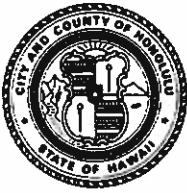
WHEREAS, renovating commercial buildings to improve energy efficiency and clean energy usage is a practical way to reduce greenhouse gas emissions and reliance on imported sources of energy; and

WHEREAS, in addition to the development of renewable energy infrastructure, the City and County of Honolulu ("City") has other critical needs, such as replacing cesspools with septic tanks or connections to wastewater sewage systems, retrofitting existing structures with fire, flood, wind, and other life safety improvements, and encouraging resilience and the efficient use of natural resources; and

WHEREAS, property owners need methods to finance improvements to address unfunded mandates placed on them, such as the requirement imposed by Act 125, Session Laws of Hawaii 2017, that property owners complete cesspool conversions without any funding being provided by the State to assist them; and

WHEREAS, in 2022, by the enactment of Act 183, Session Laws of Hawaii 2022, the State authorized a commercial property assessed financing program in Hawai'i that enables commercial property owners to access financing for qualifying improvements on their properties and to repay the loan through a voluntary assessment that functions similarly to a property tax; and

WHEREAS, according to the United States Department of Energy, some of the unique financing advantages of a commercial property assessed clean energy program include long (10-20 year) financing terms that can cover all hard and soft project costs and produce cash flow-positive projects, transfer the assessment (and benefits) to new



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No. 23-197, CD1

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**RESOLUTION**

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owners if the property is sold, and share costs and benefits between tenants and landlords under most lease structures; and

WHEREAS, pursuant to Section 196-64.5(a), Hawaii Revised Statutes, the City may authorize the Hawai'i Green Infrastructure Authority ("Authority") to offer a commercial property assessed financing program within the City and may contract with the Authority for that purpose; and

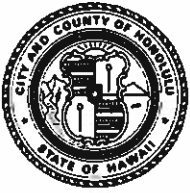
WHEREAS, the establishment of a commercial property assessed financing program in the City would require significant City resources and operational changes, including obligating the Department of Budget and Fiscal Services to levy and collect any commercial property assessed financing assessment approved by the Authority, to remit such assessments to the Authority, and to foreclose on any delinquent commercial property assessed financing assessments; and

WHEREAS, the commercial property assessed financing program would be applicable to a wide range of properties, including any multi-family residential properties of five or more units, as well as commercial, agricultural, and industrial properties; and

WHEREAS, negotiations between the City and the Authority would provide the City with a better understanding of the costs and obligations associated with the establishment of a commercial property assessed financing program, the overall viability of such a program, and other details associated with such a program; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that it urges the City Administration to enter into negotiations with the Hawai'i Green Infrastructure Authority and to establish a commercial property assessed financing program in the City and County of Honolulu; and

BE IT FURTHER RESOLVED that the City Administration is requested to provide an update to the Council on the status of its negotiations with the Hawai'i Green Infrastructure Authority no later than 90 days following the adoption of this resolution; and



**HONOLULU CITY COUNCIL**  
**KE KANIHELA O KE KALANA O HONOLULU**  
CITY AND COUNTY OF HONOLULU

No. 23-197, CD1

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**RESOLUTION**

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BE IT FINALLY RESOLVED that copies of this resolution be transmitted to the Mayor, the Managing Director, the Director of Budget and Fiscal Services, the Chief Resilience Officer and Executive Director of the Office of Climate Change, Sustainability and Resiliency, and the Hawai'i Green Infrastructure Authority.

INTRODUCED BY:

Matt Weyer

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DATE OF INTRODUCTION:

August 22, 2023  
Honolulu, Hawai'i

Councilmembers