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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

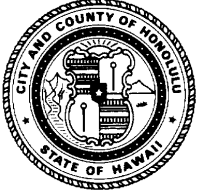
WHEREAS, renovating commercial buildings to improve energy efficiency and clean energy usage is a practical way to reduce greenhouse gas emissions and reliance on imported sources of energy; and

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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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



**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:

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August 22, 2023  
Honolulu, Hawai'i

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Councilmembers