REPORT OF THE COMMITTEE ON BUDGET

Voting Members:
Tyler Dos Santos-Tam, Chair; Scott Y. Nishimoto, Vice Chair;
Radiant Cordero, Esther Kiaʻāina, Matt Weyer

Committee Meeting Held
March 4, 2025

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

Mr. Chair:

Your Committee on Budget, which considered Bill 15 (2025) entitled:

"A BILL FOR AN ORDINANCE RELATING TO THE CLIMATE RESILIENCY FUND,"

which passed first reading at the February 26, 2025 Council meeting, reports as follows:

The purpose of the bill is to create a fund to receive and expend moneys to support climate resiliency.

The Director of Budget and Fiscal Services, Andrew Kawano, provided comments.

The Executive for the Office of Climate Change, Sustainability and Resiliency, Ben Sullivan, provided comments.

The Director Designate of Environmental Services, Roger Babcock, provided comments.

Your Committee considered and approved a proposed posted CD1 version that makes the following amendments:

A. Amends SECTION 2 of the bill by amending the proposed ROH Section 6-__.5(b) to:

ADOPTED ON MAR 19 2025

COMMITTEE REPORT NO. 68

a. Clarify that the grant program will fund preventive and ameliorative measures relating to the experienced and anticipated effects of climate change;

b. Include installations of new lateral sewer connections for unsewered properties that were not previously serviced by a public sewer main as a preventive and ameliorative measure; and

c. Provide examples of the effects of climate change.

B. Makes miscellaneous technical and nonsubstantive amendments.

Your Committee on Budget is in accord with the intent and purpose of Bill 15 (2025), as amended herein, and recommends that it pass second reading, be scheduled for a public hearing, and be referred back to Committee in the form attached hereto as Bill 15 (2025), CD1. (Ayes: Cordero, Dos Santos-Tam, Kia'āina, Nishimoto, Weyer – 5; Noes: None.)

Respectfully submitted,

Committee Chair

ADOPTED ON MAR 19 2025

COMMITTEE REPORT NO. 68

HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

CITY AND COUNTY OF HONOLULU

ORDINANCE _____

BILL **15 (2025), CD1**

A BILL FOR AN ORDINANCE

RELATING TO THE CLIMATE RESILIENCY FUND.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. Purpose. The purpose of this ordinance is to create a fund to receive and expend moneys to support climate resiliency.

SECTION 2. Chapter 6, Revised Ordinances of Honolulu 2021 ("Funds, Fees, and Loan Programs"), is amended by adding a new article to be appropriately designated by the Revisor of Ordinances and to read as follows:

"ARTICLE __: CLIMATE RESILIENCY FUND

§ 6-__.1 Creation.

There is hereby created and established a special fund to be known as the "Climate Resiliency Fund."

§ 6-__.2 Purpose.

The purpose of the climate resiliency fund is to:

(1) Finance preventive, ameliorative, and educational measures relating to experienced and anticipated effects of climate change;

(2) Enhance the resiliency of the city to climate change impacts, including investments in green infrastructure, indigenous knowledge-informed solutions, invasive species prevention and control, renewable energy, and coastal protection measures;

(3) Mitigate experienced and potential flood impacts of climate change by financing the construction, repair, and maintenance of city-owned or city-controlled waterways, wetlands, streams, drainageways, channels, and water systems;

(4) Educate city residents about experienced and anticipated impacts of climate change and the importance of resilience, to foster a community-wide understanding of and response to this global challenge; provided that

education-related costs acquired by way of the climate resiliency fund do not exceed 5 percent of the moneys deposited into the climate resiliency fund in the previous year; and

(5) Safeguard the city's residents, economy, and natural environment against climate change impacts for future generations.

§ 6-__.3 Deposit.

There must be deposited into the climate resiliency fund an amount equal to one-third of the appropriation by the council of 1.5 percent of the estimated real property tax revenues as required by Charter § 9-204.1, plus any interest earned on deposits in this fund.

§ 6-__.4 Report required.

Within 15 calendar days after the mayor submits the budget documents specified in Charter § 9-102.1 to the council, the mayor shall also submit a report on the climate resiliency fund, which must include but need not be limited to:

(1) The calculation of the minimum amount required by Charter § 9-204.1 to be appropriated from the estimated real property tax revenues and deposited into the climate resiliency fund, and the amount to be deposited into the climate resiliency fund as provided in the proposed budget for the ensuing fiscal year, which must at least equal the minimum amount;

(2) An explanation of the operating and capital program for the ensuing six fiscal years for the use of the climate resiliency fund. The explanation may be in the form of a functional plan spanning at least the ensuing six fiscal years for the climate resiliency fund, adopted by the council, and any annual updates thereto, also adopted by the council. If applicable, the explanation must demonstrate that the operating and capital program complies with the appropriation priorities the council has established for the climate resiliency fund. Identification of applicable information contained in the administration's budget submittal may satisfy this requirement;

(3) The amount included in the mayor's proposed executive operating and capital budgets for the ensuing fiscal year from the climate resiliency fund, separately identifying the amount to be appropriated for administrative expenses and demonstrating that the appropriation complies with the Charter's maximum amount, and an explanation of how the budgeted amount complies with the Charter requirement that the amount does not substitute for, but is in addition to, the appropriations historically made for the purposes set forth in the Charter; and

(4) A list of proposed amendments to the public infrastructure maps required by the proposed appropriations from the climate resiliency fund.

§ 6-__.5 Additional requirements.

(a) All expenditures from the climate resiliency fund must be consistent with Charter § 9-204.4.

(b) Moneys in the climate resiliency fund may be used to finance a grant program for preventive and ameliorative measures relating to the experienced and anticipated effects of climate change, including but not limited to rising sea levels, heavier rainfall, flooding, extreme weather events, disruption of ecosystems, and potential impacts on human health due to changing climate patterns. Preventive and ameliorative measures include funding for cesspool conversions or installation of new lateral sewer connections for unsewered properties that were not previously serviced by a public sewer main. Grants from this program may not exceed $50,000 and may only be awarded to households with a total household income under $100,000.

(c) Moneys in the climate resiliency fund may also be used for the payment of principal, interest, and premium, if any, due with respect to bonds issued after enactment of this ordinance and pursuant to Charter § 3-116 or 3-117, in whole or in part, for the purpose enumerated above and for the payment of costs associated with the purchase, redemption, or refunding of such bonds.

(d) At any given time, no more than 5 percent of the moneys in the climate resiliency fund may be used for administrative expenses.

(e) Any balance remaining in the climate resiliency fund at the end of any fiscal year will not lapse and must remain in the climate resiliency fund, accumulating from year to year. The moneys in the climate resiliency fund may not be used for any purposes except those listed in this article.

(f) The appropriations to the climate resiliency fund may not substitute for, but must be in addition to, those appropriations historically made for the purposes stated in this article.

§ 6-__.6 Administration.

The director of budget and fiscal services shall administer the climate resiliency fund."

SECTION 3. The Revisor of Ordinances shall, pursuant to the Revisor's authority under SECTION 2 of Ordinance 23-7, update the Reporting Requirements Table to include the reporting requirements enacted by SECTION 2 of this ordinance.

A BILL FOR AN ORDINANCE

SECTION 4. This ordinance takes effect upon its approval.

INTRODUCED BY:

Matt Weyer

Tommy Waters

DATE OF INTRODUCTION:

February 4, 2025
Honolulu, Hawai'i

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel

APPROVED this _____day of _____, 20 ____.

RICK BLANGIARDI, Mayor
City and County of Honolulu

Report Title:
Climate Resiliency Fund; Cesspool Conversion; Sewer; Grant Program

Description:
Amends ROH Chapter 6 to add a new article establishing the Climate Resiliency Fund. Allows moneys from the Climate Resiliency Fund to be used to fund a grant program for cesspool conversions and installations of new lateral sewer connections for properties that were not previously serviced by a public sewer main.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.