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
April 29, 2025

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

Mr. Chair:

Your Committee on Budget, which considered Bill 31 (2025) entitled:

"A BILL FOR AN ORDINANCE RELATING TO THE TRANSIT CONSTRUCTION MITIGATION FUND,"

which passed first reading at the April 16, 2025 Council meeting, reports as follows:

The purpose of the bill is to address the Transit Construction Mitigation Fund.

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

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

A. Amends SECTION 2 of the bill as follows:

1. In ROH Section 6-55.5(a)(2), replaces the proposed annual revenue maximum of $2,000,000 with $1,000,000.

2. Removes in its entirety ROH Section 6-55.5(a)(3), which required a qualified business to have 15 or fewer employees. Renumbers the subsequent subdivision accordingly.

ADOPTED ON MAY 14 2025

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3. In renumbered ROH Section 6-55.5(a)(3), replaces the requirement that an applicant must have opened for business prior to January 1, 2022 with a new requirement that the applicant must have opened for business at least 12 months prior to the start of any Rail Project construction within the transit construction mitigation zone in which the business is physically located, as determined by the Director of Budget and Fiscal Services.

B. Makes miscellaneous technical and nonsubstantive amendments.

Your Committee on Budget is in accord with the intent and purpose of Bill 31 (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 31 (2025), CD1. (Ayes: Cordero, Dos Santos-Tam, Kia'āina, Nishimoto, Weyer – 5; Noes: None.)

Respectfully submitted,

Committee Chair

ADOPTED ON MAY 14 2025

COMMITTEE REPORT NO. 143

HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

CITY AND COUNTY OF HONOLULU

ORDINANCE _____

BILL **31 (2025), CD1**

A BILL FOR AN ORDINANCE

RELATING TO THE TRANSIT CONSTRUCTION MITIGATION FUND.

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

SECTION 1. Purpose. The purpose of this ordinance is to address the Transit Construction Mitigation Fund.

SECTION 2. Section 6-55.5, Revised Ordinances of Honolulu 2021, is amended to read as follows:

"**§ 6-55.5 Criteria.**

(a) To qualify for an expenditure under § 6-55.4, an applicant must, at a minimum:

(1) Be a business that is majority-owned by city residents and that does business with customers primarily at a physical location located within a city block in which there is active construction on the Rail Project at the time of application;

(2) Generate [~~not more than $750,000~~] $1,000,000 or less in annual revenue; and

[~~(3) Have 15 or fewer employees; and~~

~~(4)~~] (3) Have opened for business [~~prior to January 1, 2022.~~] at least 12 months prior to the start of any Rail Project construction within the transit construction mitigation zone in which the business is physically located, as determined by the director of budget and fiscal services.

(b) The director of budget and fiscal services may establish additional selection criteria for applicants under this section, including determinations on applicant viability."

SECTION 3. Ordinance material to be repealed is bracketed and stricken. New material is underscored. When revising, compiling, or printing this ordinance for inclusion in the Revised Ordinances of Honolulu, the Revisor of Ordinances need not include the brackets, the material that has been bracketed and stricken, or the underscoring.

A BILL FOR AN ORDINANCE

SECTION 4. This ordinance takes effect upon its approval.

INTRODUCED BY:

Tyler Dos Santos-Tam

Radiant Cordero

DATE OF INTRODUCTION:

March 24, 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:
Transit Construction Mitigation Fund; Budget and Fiscal Services ("BFS")

Description:
Changes eligibility for the Transit Construction Mitigation Fund by increasing the maximum allowed annual revenue to $1,000,000; removing the number of employees limit; and by requiring the business to have opened at least 12 months prior to the start of any Rail Project construction within the transit construction mitigation zone in which the business is physically located, as determined by the BFS Director.

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