



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

ORDINANCE _____
BILL **13(2026)**

A BILL FOR AN ORDINANCE

RELATING TO THE CLEAN WATER AND NATURAL LANDS 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 Clean Water and Natural Lands Fund, including the process and procedures for reviewing and evaluating proposals for expenditures from the Clean Water and Natural Lands Fund.

SECTION 2. Section 6-62.3, Revised Ordinances of Honolulu 2021, is amended to read as follows:

"§ 6-62.3 Deposit.

There shall be deposited into the clean water and natural lands fund an amount equal to ~~[one-half]~~ one-third of the appropriation by the council of a minimum of ~~[4]~~ 1.5 percent of the estimated real property tax revenues, plus any interest earned on deposits in the clean water and natural lands fund."

SECTION 3. Chapter 6, Article 62, Revised Ordinances of Honolulu 2021 ("Clean Water and Natural Lands Fund"), is amended by adding a new section to be appropriately designated by the Revisor of Ordinances and to read as follows:

"§ 6-62. Use of funds.

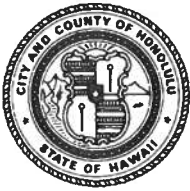
(a) Definitions. For the purposes of this section, the following definitions apply unless the context clearly indicates or requires a different meaning.

Commission. The clean water and natural lands advisory commission established pursuant to Charter § 9-204.9.

Department. The department of housing and land management.

Director. The director of housing and land management.

(b) All proposals for expenditures from the clean water and natural lands fund must be processed pursuant to the following procedures:



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- (1) The department shall receive proposals for the use of funds in the clean water and natural lands fund consistent with Charter § 9-204.2 and § 6-62.2, and shall review, evaluate, research, and conduct the following preliminary due diligence on each proposal received:
- (A) Conduct initial consultations with the proposal applicant;
 - (B) Conduct site visits of the parcels involved;
 - (C) Confirm the conservation values of the parcels, including their ecological integrity and cultural significance;
 - (D) Determine alignment with the purposes of the clean water and natural lands fund pursuant to Charter § 9-204.2 and § 6-62.2, and the broader community co-stewardship goals;
 - (E) Independently assess whether land acquisition or a land conservation interest would be most appropriate;
 - (F) Determine preliminary valuation and cost estimates for the land acquisition or land conservation interest, as applicable;
 - (G) Explore other sources of funding:
 - (i) For land acquisition, other sources of funds to be used toward the purchase price; and
 - (ii) For a land conservation interest, based on a pre-determined valuation of the conservation interest, whether a trust or other entity that is acquiring the land has adequate sources of funding to purchase the land without offsetting any shortfall by increasing the cost of the land conservation interest;
 - (H) Conduct public record searches to obtain relevant information, including but not limited to:
 - (i) Legal description of the property, including tax status;
 - (ii) Legal ownership and title;



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- (iii) Easements or encumbrances that run with the land;
 - (iv) Outstanding claims or liens against the real property;
 - (v) Any litigation relating to the land or the owners;
 - (vi) Land and plat maps, applicable State and city plans, and flood zone and sea level rise maps, to determine whether there are any significant risks, hazards, or restrictions associated with the land; and
 - (vii) Other relevant publicly available information; and
 - (I) Explore and outline the general terms, covenants, and conditions included in the legal document memorializing the land acquisition or land conservation interest.
- (2) Based on the review, evaluation, research, and preliminary due diligence conducted under subdivision (1), a proposal is considered qualified if:
 - (A) The use of funds in the clean water and natural lands fund is consistent with Charter § 9-204.2 and § 6-62.2;
 - (B) The information and representations in the proposal do not conflict with or significantly differ from the results of the preliminary due diligence conducted under subdivision (1);
 - (C) The preliminary due diligence conducted under subdivision (1) does not reveal any significant issues, including legal issues, that would render the proposal inadvisable, not feasible, or otherwise undesirable; and
 - (D) The land acquisition or land conservation interest is aligned with broader community co-stewardship goals, and is in the best interest of Oahu residents.
- (3) The director shall submit qualified proposals to the commission, accompanied by:



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- (A) A director's report detailing the department's findings pursuant to its preliminary due diligence efforts under subdivision (1), and summarizing the reasons the proposal is qualified under subdivision (2); and
- (B) A draft resolution proposing council action on the expenditure of clean water and natural lands funds for the qualified proposal.
- (4) The commission shall review and evaluate each qualified proposal and the corresponding director's report, then submit to the council for approval the commission's findings and recommendation on the qualified proposal, and attach copies of the director's report and draft resolution.
- (5) If the council approves the expenditure of clean water and natural lands funds for a qualified proposal, the department shall conduct formal due diligence, including but not limited to a real property appraisal and a conclusive title search performed by a professional title and escrow company, and conduct negotiations regarding price, terms, covenants, and conditions for the proposed transaction.
- (c) Six months after the effective date of the resolution, and every six months thereafter until the land acquisition or land conservation interest transaction closes, the director shall submit a report to the council detailing the progress of the department's final due diligence efforts, and the status of the land acquisition or land conservation interest transaction."

SECTION 4. 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. 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 3 of this ordinance.



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SECTION 5. This ordinance takes effect upon its approval.

INTRODUCED BY:

Esther Muiamua

Tony Watson

DATE OF INTRODUCTION:

JAN 22 2026

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:

Clean Water and Natural Lands Fund; Grants in Aid; Land Conservation; Report;
Department of Housing and Land Management ("HLM")

Description:

Establishes specific processes and procedures for evaluating proposals for expenditures from the Clean Water and Natural Lands Fund. Requires the HLM to perform preliminary due diligence on each proposal for the use of funds in the Clean Water and Natural Lands Fund. Requires a status of the land transaction report six months after Council approval of a qualified proposal, and every six months thereafter until the land transaction closes.

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