

MINUTES

COMMITTEE OF THE WHOLE

March 20, 2024

A meeting of the Committee of the Whole of the Council of the County of Kauaʻi, State of Hawaiʻi, was called to order by Mel Rapozo, Chair, at the Council Chambers, 4396 Rice Street, Suite 201, Līhuʻe, Kauaʻi, on Wednesday, March 20, 2024, at 9:32 a.m., after which the following Members answered the call of the roll:

Honorable Addison Bulosan
Honorable Bernard P. Carvalho, Jr.
Honorable Felicia Cowden
Honorable Bill DeCosta
Honorable KipuKai Kualiʻi
Honorable Mel Rapozo

Excused: Honorable Ross Kagawa

The Committee proceeded on its agenda item as follows:

Bill No. 2912 A BILL FOR AN ORDINANCE ADDING A NEW ARTICLE TO CHAPTER 6, KAUAʻI COUNTY CODE 1987, AS AMENDED, RELATING TO GENERAL PROVISIONS RELATING TO FINANCE (This item was Deferred to the May 22, 2024 Committee Meeting)

Councilmember Kualiʻi moved to recommend approval of Bill No. 2912 on second and final reading, seconded by Councilmember Carvalho.

Council Chair Rapozo: Councilmember Bulosan, I know you requested a deferral for this matter. Would you like to explain?

Councilmember Bulosan: There is a current bill in the State that may affect this Bill. I think the hearing is today, so I would like to defer this Bill to the May 22, 2024 Committee Meeting.

Councilmember Cowden: I have a question.

Council Chair Rapozo: We will take public testimony as well. Go ahead.

Councilmember Cowden: Can you tell the Council what the State bill is and how it would impact us?

Councilmember Bulosan: Yes, I can.

Councilmember Cowden: Do you know the number of the bill?

Councilmember Bulosan: I do not know the number off the top of my head.

Councilmember Cowden: Okay, let us just say what we are trying to do is have secondary financing for green improvements, right? It would go right along with tax, just in case someone is listening and trying to understand. Can you explain how it would be different?

Councilmember Bulosan: The State Bill that is currently on the floor, I think it is going to be in Committee at 9:30 a.m., so right about now. It is looking at one of the sections specifically regarding to...there is one piece of the bill that is affected. I can give you the particulars in a moment.

Councilmember Cowden: Okay, I can say what the part I want to be affected. I would love if it could apply to houses as well, but that is probably too big of a wish, right? I would be all excited if homes could do it.

Councilmember Bulosan: No, it is not. It relates to foreclosures.

Councilmember Cowden: It is in particular to foreclosures. Okay, so it would probably have to do with the lien or...

Council Chair Rapozo: I would agree with on the housing.

Councilmember Cowden: At first, I read this and thought it was houses and I got so excited about it, because that helps people put in a septic system or whatever they might need to do in a way that they can afford it. Okay, and then we are picking May 22, 2024. We are picking a date quite a ways out because we want to wait until the legislative season is over, so we know whether it completely passes or not.

Council Chair Rapozo: Just for our viewers watching, a Commercial Property Assessed Clean Energy (C-PACE) program provides financing alternatives for commercial improvements on business properties, which is special financing. The program is managed by the state. It really is a win-win for businesses that want to improve their properties to be "greener." Mr. Colts, to get off fossil fuels. It could improve their heating, ventilation, and air conditioning (HVAC) systems and right now, the reason why the Residential, which would be fantastic,...we could use it for Residential, but the banks lobbied hard because they do not want to lose that business and the banks are still not happy, but that was the compromise. So, the State Bill,

as Councilmember Bulosan said, is having their committee hearing today. I am not sure if this is the final committee hearing, but once the Legislature decides and that bill is finalized, it may impact this one, so we will just wait until the session is over and then we will...

Councilmember Cowden: I have a follow-up to what he just said so I can understand it a little better. I thought the banks did not like it because they would have someone ahead of them in position in a foreclosure, but you are saying that the banks do not like it because they are not the lender for getting the septic system. Septic is more important for us than getting on coal because we are not on coal anyway. So, you are saying the banks did not like it because of the lending for the improvement?

Council Chair Rapozo: Correct.

Councilmember Cowden: Oh, okay.

Council Chair Rapozo: It will definitely impact their business. The way that the C-PACE program is structured provides for a lower interest rate for the businesses that take advantage.

Council Chair Rapozo: Councilmember DeCosta.

Councilmember DeCosta: Again, I am going to have differ with you guys. I was the only "No" vote on this and I am going to explain myself on why I voted "No." Similar to the 2015 State Regulation that all cesspools would be converted to septic and/or sewers. They come up with these regulations with no funding and now, they come up with C-PACE funding for commercial buildings, which is not a problem. Our problem is with residential homes, but they come up with commercial buildings and they create this bill that they are going to read by 9:30 a.m. What is to say that once the bill passes it does not become mandatory that every commercial owner has to go green or make improvements to their business? Two (2) years from now, they pass a bill that says we have the funding in place. Let us mandate that every commercial building does this and then they are going to hold the commercial buildings and business owners are going to lose their businesses, because they do not want to take another loan out to follow the states "go-green" thing that everyone is riding on the bandwagon. We just heard from one of our testifiers that forty-eight percent (48%) of the United States is still on coal. I am going to stand firm that I do not think we need a process like this, unless they can clear the language and state that they are not going to make it mandatory that every commercial building needs to be compliant with new state regulation that they might put on, like they did with the cesspool conversion. Thank you.

Council Chair Rapozo: Are there any further discussion?

Councilmember Bulosan: Just to clarify, the Bill is HB 2801.

Councilmember Cowden: I am looking it up.

Council Chair Rapozo: Okay, is there any other discussion? I do not think I asked for public testimony. Is there anyone from the audience wishing to testify?

Councilmember Cowden: Does the Finance Department want to share anything or no? Are you folks good?

There being no one present to provide testimony, the meeting proceeded as follows:

Council Chair Rapozo: I think we will just wait for the Legislature and then we will see what happens. I see the point that Councilmember DeCosta made. This program is voluntary and there is some frustration about that too. I would entertain a motion to defer Bill No. 2912 to the May 22, 2024 Committee Meeting.

Councilmember Bulosan moved to defer Bill No. 2912 to the May 22, 2024 Committee Meeting, seconded by Councilmember Kualii, and carried by the following vote:

FOR DEFERRAL:	Bulosan, Carvalho, Cowden, Kualii,	
	Rapozo	TOTAL – 5,
AGAINST DEFERRAL:	DeCosta	TOTAL – 1,
EXCUSED & NOT VOTING:	Kagawa	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0.

There being no further business, the meeting was adjourned at 9:40 a.m.

Respectfully submitted,



Shari L. Rabaino
Council Services Assistant I

APPROVED at the Committee Meeting held on April 3, 2024:



MEL RAPOZO
Chair, COW Committee