

CLIMATE CHANGE COMMISSION
CITY AND COUNTY OF HONOLULU

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BETTINA MEHNERT, FAIA, LEED AP O+M

Climate Change Commission
Tuesday, January 8, 2019
Hawai'i Institute of Geophysics, Room 210
2525 Correa Road
Honolulu, HI 96822
Meeting Minutes

Members present: Rosie Alegado, Makena Coffman, Charles Fletcher, Victoria Keener, and Bettina Mehnert.

Members Absent: None.

Public: Executive Director Josh Stanbro, Uyen Vong, and Hayley Cook (Office of Climate Change, Sustainability and Resiliency); Courtney Sue-Ako (Corporation Counsel); Camilo Mora and Layla Kilolu (University of Hawai'i); Brodie Lockard (350Hawaii.org); Paul Bernstein; Charles Cox; Joshua Cooper; Brad Romine; Maya Walton;; Ikaika Hussey; Renee Ing; Shelly Harris; Taylor Marshall; Dave Martin; Michael Hamnett; Kem Lowry; Dolan Eversole; Bob Stanfield.

Call to order: Chair Makena Coffman called the meeting to order at 3:05 P.M.

Roll Call: All five commissioners were present. Quorum was established.

Approval of the Meeting Minutes of October 16, 2018 and November 26, 2018: The minutes of October 16, 2018 and November 26, 2018 were adopted as amended (**AYE:** Coffman, Fletcher, Keener, Mehnert; **NAY:** None; **ABSTAIN:** None.)

Report on the Activities of the Office of Climate Change, Sustainability and Resiliency (CCSR):
Executive Director Josh Stanbro presented the following report:

- CCSR has three open positions: (1) the Bloomberg Climate Advisor to help steer the future of carbon free transport on the island; (2) A climate and equity position to ensure there's a just transition in our economy as we move to a carbon free future; and (3) a hazard mitigation and long-term recovery position to look at how do we recover from a disaster in a more resilient manner.
- CCSR will be going through a physical, temporary relocation of offices to Kapālama Hale for a six month period while the current office goes through a remodel.
- CCSR finished the series of climate action planning meetings held across the island in conjunction with City councilmembers. The final wrap-up meeting will be held at the University of Hawai'i Campus Center on January 17. There is also one additional meeting in Hau'ula the evening of January 16.

Questions and comments that followed:

- Brodie Lockard asked where the temporary office will be located. Stanbro responded that Kapālama Hale is across from Hawai'i Community College and Costco and when CCSR returns

to Fasi Municipal Building, the office will be on the eleventh floor, instead of where it is currently located on the ninth floor.

Discussion on Developing a White Paper on Topics of Climate Change and Risk:

- The commission discussed the scope of the white paper and if including socioeconomic risks broadens the scope too substantially. Fletcher suggested only discussing hurricanes, rain bombs, and heat waves as a way to simplify the white paper and avoid drawing attention away from the main focus which is to identify and/or recommend the financial tools the City can apply in case of a disaster. Keener suggested that since the list of recommendations will be short and straightforward, having the additional information is not a waste.
- Alegado suggested that if physical and socioeconomic shocks and stresses were to be separated into different white papers, sewage spills and chronically contaminated coastal waters should be included in this financial white paper as primarily physical shocks and stresses respectively.
- Alegado suggested adding “potential increase and parasites and pestilence to crops and humans” to Table 1.
- The commission discussed the categorization and labeling of physical and socioeconomic shocks and stresses. Fletcher suggested modifying the “primarily physical” label to read “natural events modified by climate change”.
- The commission discussed the structure of the paper and whether to include financial risks/tools summaries or the details of physical shocks and stresses first. Fletcher suggested that since the focus of the white paper is to concentrate on financial risk, the financial information and different descriptions of insurance should be moved to the top, while the hazard history information be pushed back into an appendix. Keener suggested that be a short summary of parametric and indemnity insurance with statistics on how they’re used in other cities, including if they’ve paid out or not and on what main hazards. Keener also suggested that the summary can introduce that the City has its own insurance fund, but the revenue is limited because it is based almost solely on property tax, which means diversification is needed to reduce the risk profile.
- The commission discussed other public financing mechanisms. Fletcher noted that the commercial sector accounts for the vast majority of property tax revenue, but the minority of exposure area, which is a good thing for the City. Coffman noted she is unsure of the criteria on expenditures on the gas tax and suggested that the commission use the white paper to align with the state climate commission’s recommendations around carbon taxation to send a prince signal to raise the revenue.
- The commission discussed types of financial tools and revenue sources. Fletcher suggested parametric insurance is a trap because a city can be totally devastated but if it doesn’t meet every trigger, the insurance doesn’t pay. Keener noted that she has only heard about instances where it is paid out.
- The commission discussed examples of credit downgradings, such as Moody’s downgrade of Maersk, which was not necessarily related to climate exposure, and Stand & Poor’s downgrade of PG&E due to the wildfires in California.
- Fletcher suggested the white paper declare the City’s current financial profile and approach and recommend if it should continue down that path, with considerations of vulnerability due to real property tax being the major source of the City’s revenue. Coffman noted that taking the loss estimations from the state’s sea level rise vulnerability report, there would be approximately 31 billion dollars in annual revenue loss.
- The commission discussed and made edits to Table 2, renaming the column of proposed responses from “Resiliency/mitigation response” to “Paths to reduce risk profile”. The commission added design, planning, policy, and zoning responses to the columns on rows on high winds, extreme rainfall, sewage spill, major landslides, chronic coastal erosion, and rising heat stress.
- Fletcher offered concern that by listing specific responses in Table 2, the commission implies that those are the only paths to reducing the risk profile.
- The commission discussed the integration of the white paper with the City’s Multi-Hazard Pre-Disaster Mitigation Plan (Plan). Discrepancies between both City documents exist, like how the

Plan includes dam failure, but the white paper does not, and how the white paper includes heat waves, but the Plan does not. Coffman suggests referencing the Plan and building off of it to think about prioritizing hazards. Keener noted that the current Plan has loss estimates that show the only shock with losses above the 100 million dollar slush fund is hurricanes, and therefore discussion of insurance policies in the white paper should only be with respect to hurricanes.

- The commission discussed if the City should continue to self-insure. Coffman suggested that it makes sense to have a rainy day fund for many reasons, although it wasn't clear in the discussion with the Department of Budget and Fiscal Services what the 100 million fund was designated for and requires follow-up for City-specific data.
- Fletcher suggested the paper should touch on the issue of whether local insurers are vulnerable to bankruptcy.

Questions and comments that followed:

- Coffman asked Stanbro to clarify and offer thoughts on the intended scope of the white paper and how to make it useful. Stanbro responded that if the commission is not 100 percent confident in making a specific recommendation, it should instead use the white paper to raise questions about the City's financial profile and provoke thought in the administration to revisit assumptions and review what other cities have done. For example, Moody's asks about a climate action plan, but what about a climate adaptation plan? Or what other types of revenues could or should be developed over time to diversify the revenue stream? Or is self-insurance enough? And what other models exist from other cities?
- Camilo Mora noted that the IPCC has already discussed the topics in "Table 1" and instead uses the terms "climate hazards" and "impacts" instead of "shocks" and "stresses". Mora suggested doing a cross comparison of how each hazard influences aspects of our livelihoods that are fundamental to the functioning of society: water, electricity, roads, food, housing, jobs, and recreation. Mora suggested using that analysis to create a conceptual framework for putting an economic value on each aspect to gauge the capacity of insurance companies to pay.
- Layla Kilolu commented that with social equity and vulnerable populations in mind, considerations should be given for renters and questioned whether the City would be liable during a heat wave if there were deaths of elderly or disabled residents. Fletcher responded that the question feeds into liability to a Moody's downgrade because strong steps haven't been taken.
- Brodie Lockard asked if the commission has a deadline for the white paper. Coffman responded no.
- Lockard noted the state law of reaching 100 percent renewable electricity generation by 2045 and clean public transportation by 2035 and asked if the white paper will include information on how much money would be saved if the target dates were pushed up. Coffman answered that it would not be included in the scope of this white paper and noted how the Elemental Excelsior Transcending Oil report concludes that the targets can be cost-effectively met earlier. Lockard asked who else is working on comparable work. Coffman answered the Hawai'i Natural Energy Institute (HNEI), faculty with the electrical engineering department, the University of Hawai'i Economic Research Organization (UHERO), and HECO with the Power Supply Improvement Plan (PSIP).

Public Input for Matters Not on the Agenda:

- Mora commented that the mayor's commitment to plant 100,000 trees by 2025 is low-hanging fruit and asked how the City is going about it and who to ask to find out more information. Jeannine Souki commented that in her experience with urban forestry policy at the City of Seattle, she found that planting trees is one thing, but prolonged care, cultivation, and maintenance of those trees is another. Souki noted that such policies and programs are very doable once all of the associated costs with prolonged proliferation are identified. Fletcher commented that he believes the City has not given Mora an appropriate response to his idea to plant one million trees but recognizes the need for an enormous planning and research effort to precede the plantings. Alegado noted that Matt Gonser at CCSR would be the person to contact to follow up on the City's plans.
- Paul Bernstein asked how much of the white paper will focus on the revenue raising portion of

dealing with potential mitigation options. Coffman answered that the current draft has a placeholder discussion of the impacts of a carbon tax, which merits more fleshing out. Keener also responded that the draft discusses how other places have raised revenue through taxation, like Florida.

- Bernstein also asked the best way to submit relevant policy information to the commission. Keener responded that information relevant to the commission can be submitted through Makena and the topic can be put on the agenda for official testimony.

Next Meeting: The next Climate Change Commission meeting will be scheduled at a later date.

Announcements: The State Climate Change Conference will be on Monday, January 14, from 8:30 A.M. to 4:30 P.M. and is open to the public at the East-West Center.

Executive Session: Coffman moved and Keener seconded the motion to enter into Executive Session. (**AYE:** Coffman, Fletcher, Keener, Mehnert; **NAY:** None; **ABSTAIN:** None.)

Adjournment: The meeting was adjourned at 5:15 P.M.