

**OFFICE OF THE MAYOR
CITY AND COUNTY OF HONOLULU**

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RICK BLANGIARDI
MAYOR

MICHAEL D. FORMBY,
MANAGING DIRECTOR

KRISHNA F. JAYARAM
DEPUTY MANAGING DIRECTOR

January 4, 2023

The Honorable Tommy Waters
Chair and Presiding Officer
and Members
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawai'i 96813

Dear Chair Waters and Councilmembers:

**SUBJECT: Relating to the Reprogramming of Funds for the
Rental and Utility Relief Program**

Pursuant to Ordinance 22-14, please find attached a draft resolution requesting the reprogramming of monies in Appendix A of that ordinance to support continuation of the City's Rental and Utility Relief Program ("RURP") to help prevent unnecessary evictions, keep 6,571 O'ahu families safely housed, and continue to support an equitable recovery for our community.

RURP has played a major role in preventing homelessness during the pandemic. It has helped more than 15,000 O'ahu households and distributed over \$200 million since starting in April 2021. The vast majority of households earn at or below 50% of Honolulu's Area Median Income, which is less than \$63,000 a year for a family of four. The RURP has been recognized as one of the best performing rent and utility relief programs in the nation by the U.S. Department of Treasury ("Treasury").

The primary source of funding has been the Emergency Rental Assistance Program ("ERA") administered by the Treasury with RURP receiving \$234 million in ERA1 and ERA2 funding. As the Treasury winds down the ERA, the Administration has supplemented the City's remaining ERA funds with State and Local Fiscal Recovery Fund ("FRF") monies; the October 2022 reopening of the RURP application portal was primarily funded with \$31 million from the FRF, Tranche 1. An additional \$7 million in FRF, also from Tranche 1, was approved in December 2022 to support the temporary reopening through the end of this month.

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The Office of Economic Revitalization received 8,000 new applications and thousands of requests for ongoing support from renters in RURP during the temporary reopening. This strongly indicates a continuing need for rent and utility relief as our community emerges from the pandemic to face increasing rents and inflationary impacts on household necessities. The National Equity Atlas' online rent debt dashboard estimates that 4,680 households in Honolulu are behind in their rent, with an average debt of \$3,700. At the same time, Honolulu is facing record-high inflation and rising housing costs. Rents on O'ahu have risen by an average of 8% since 2021, according to an analysis in *Hawaii Business* magazine. The magazine notes that is the highest rate of increase in the past five years.

This request would be categorized as "Provide Community Support and Address Economic Impacts" for the purposes of the Recovery Plan.

Should you have any questions please feel free to contact Executive Assistant Andrew Malahoff via email at amalahoff@honolulu.gov or by phone at 768-4068.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Formby", with a long horizontal stroke extending to the right.

Michael D. Formby
Managing Director

Attachment



RESOLUTION

RELATING TO REPROGRAMMING OF AMERICAN RESCUE PLAN ACT OF 2021 (PUB. L. 117-2), STATE AND LOCAL FISCAL RECOVERY FUNDS PROGRAM FOR THE RENTAL AND UTILITY RELIEF PROGRAM.

WHEREAS, on June 3, 2022, the City Council adopted Bill 15 (2022), CD2, FD1, Relating to the Executive Capital Budget and Program for the Fiscal Year July 1, 2022 to June 30, 2023; and

WHEREAS, on June 20, 2022, pursuant to Section 3-203 of the Revised Charter of the City and County of Honolulu 1973 (Amended 2017 Edition), as amended, Bill 15 (2022), CD2, FD1, became a duly enacted ordinance, Ordinance 22-14, on June 20, 2022; and

WHEREAS, Ordinance 22-14 provided for the appropriation of \$193,126,071 in Federal Grant monies received under the American Rescue Plan Grants Program; and

WHEREAS, Appendix A of Ordinance 22-14 designates forty-five discrete projects to be funded by the appropriation and provides estimated costs for the respective projects; and

WHEREAS, Section 17 of Ordinance 22-14 provides, in part, that, "Monies from the American Rescue Plan Act of 2021 (Pub. L. 117-2), State and Local Fiscal Recovery Funds program, ("ARPA") monies are hereby designated for the projects listed in Appendix A. ARPA monies appropriated in the American Rescue Plan Grants Program project may be encumbered or expended for these designated projects without further Council approval. No reprogramming actions for monies appropriated in the American Rescue Plan Grants Program project for projects not listed in Appendix A shall be made unless the Council first approves such reprogramming by resolution submitted by the Mayor."; and

WHEREAS, since April 2021 the City has been providing financial support to individuals and families at-risk of being homeless through its Rental and Utility Relief Program ("RURP") that is administered by two non-profit organizations; and

WHEREAS, RURP has been recognized as one of the best performing rent and utility relief programs in the nation by the U.S. Department of Treasury ("Treasury"), benefitting more than 15,000 O'ahu households, the vast majority of which earn at or below 50% of Honolulu's Area Median Income; and



RESOLUTION

WHEREAS, key findings of the *ALICE in Hawai'i: 2022 Facts and Figures* report highlighted the sharp increase in the number of households pushed below the poverty line, the increasing number of Hawai'i households that have fallen below the ALICE threshold and the lasting negative impact of the COVID-19 pandemic on the financial and emotional well-being of Hawai'i residents; and

WHEREAS, \$38,465,189 in ARPA-SLFRF funds have been expended on RURP to-date and the administration has indicated its commitment to continued support for at-risk households through extension of RURP by utilizing \$33,000,000 in ARPA-SLFRF funds appropriated in Ordinance 22-14; and

WHEREAS, the Council has advocated for the use of ARPA funds to support individuals and families at-risk of houselessness; now, therefore,

BE IT RESOLVED that the Council approves the reprogramming of \$33,000,000 as described herein to support the Rental and Utility Relief Program; and



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. _____

RESOLUTION

BE IT FINALLY RESOLVED that copies of this resolution be transmitted to the Mayor, the Managing Director and the Department of Budget and Fiscal Services.

INTRODUCED BY:

DATE OF INTRODUCTION:

Honolulu, Hawai'i

Councilmembers