HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

CITY AND COUNTY OF HONOLULU

No. **24-119, CD1**

RESOLUTION

RELATING TO THE REPROGRAMMING OF AMERICAN RESCUE PLAN ACT OF 2021 (PUB. L. 117-2), STATE AND LOCAL FISCAL RECOVERY FUNDS PROGRAM IN SUPPORT OF HAZARD PAY.

WHEREAS, on June 3, 2022, the City Council ("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; 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 45 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.

Alternatively, such reprogramming actions may be deemed approved 15 days after notice thereof is filed by the Mayor with the City Clerk and distributed to all members of Council, unless a Councilmember files a written objection with the City Clerk prior to the 15th day. Such monies that have been objected to shall be subject to Council approval by way of a resolution"; and

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WHEREAS, on June 7, 2023, the Council unanimously adopted Resolution 23-114 titled "URGING THE CITY ADMINISTRATION TO PROVIDE HAZARD PAY TO ELIGIBLE CITY EMPLOYEES WHO PERFORMED ESSENTIAL WORK DURING THE COVID-19 PUBLIC HEALTH EMERGENCY"; and

WHEREAS, the City and County of Honolulu ("City") Administration has proposed to advance payments to the City's Other-Post Employment Benefit ("OPEB") activity (and/or such other FY25 expense category(ies) as identified by the Council and the City Administration), consistent with U.S. Treasury rules and guidelines through the reallocation and recovery of State and Local Fiscal Recovery Funds, thereby allowing the City to have sufficient financial capacity to program funds in the FY25 Operating Budget to support a number of potential atypical expenses including, but not limited to, the payment of hazard pay to eligible essential workers employed by the City during the pandemic, and

WHEREAS, the City Administration, to date, has reprogrammed approximately $40,000,000 in Tranche 1 ARPA funds for this purpose, and there are currently no additional sources of funding available; and

WHEREAS, through Mayor's Message 67 (2024), dated April 16, 2024, the City Administration sought the Council's approval for the reprogramming of approximately $7,000,000 of Tranche 2 ARPA funds for the Rental and Utility Relief Program, and through Mayor's Message 70 (2024), dated April 18, 2024, the City Administration sought approval for the reprogramming of approximately $20,000,000 of Tranche 2 ARPA funds, from the following projects:

Project Number	Project Description	Estimated Cost
37.	Provision of affordable housing as described in Charter Section 9-204.3 that may be administered by the City or in conjunction with non-profit or private developers.	$20,000,000
	Savings from various Tranche 2 projects	$7,000,000

; and

WHEREAS, the category designation of the requested reprogramming of funds will be "REVENUE REPLACEMENT," and funds will be expended by the end of the performance period; and

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WHEREAS, by way of Council Communication 103 (2024), dated April 23, 2024, an objection to the proposed reprogramming of ARPA funds in Mayor's Messages 69 and 70 (2024) was filed with the City Clerk and requested the submission of a resolution in support of the City Administration's reprogramming request to allow for public discussion on the proposed action in accordance with Section 17 of Ordinance 22-14; and

WHEREAS, the Council has advocated for the use of ARPA funds to provide hazard pay to eligible City employees and believes it is more appropriate that the $7,000,000 proposed for reprogramming to the Rental and Utility Relief Program instead be reprogrammed in its entirety to support hazard pay for eligible City employees; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that it hereby approves the reprogramming of $27,000,000 to support hazard pay for eligible City employees; and

BE IT FURTHER RESOLVED that the Council, upon approval of the reprogramming of said funds, authorizes the Director of Budget and Fiscal Services to implement the reprogramming, receipt, and expenditure of said funds in accordance with this resolution, and execute any incidental or related amendments, agreements, or documents in furtherance of any reprogramming actions; and

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

INTRODUCED BY:

Tommy Waters (br)

DATE OF INTRODUCTION:

April 26, 2024
Honolulu, Hawai'i

Councilmembers

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

CERTIFICATE

RESOLUTION 24-119, CD1

Introduced: 04/26/24 By: TOMMY WATERS - BY REQUEST Committee: PLANNING AND THE ECONOMY (P&E)

Title: RELATING TO THE REPROGRAMMING OF AMERICAN RESCUE PLAN ACT OF 2021 (PUB. L. 117-2), STATE AND LOCAL FISCAL RECOVERY FUNDS PROGRAM IN SUPPORT OF HAZARD PAY.

Voting Legend: * = Aye w/Reservations

04/26/24	INTRO	Introduced.
05/02/24	P&E	Reported out for adoption as amended in CD1 form. CR-143 5 AYES: CORDERO, KIA'ĀINA, OKIMOTO, SAY, WEYER
05/15/24	CCL	Committee report and Resolution as amended were adopted. 9 AYES: CORDERO, DOS SANTOS-TAM, KIA'ĀINA, OKIMOTO, SAY, TULBA, TUPOLA, WATERS, WEYER

I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this RESOLUTION.

GLEN I. TAKAHASHI, CITY CLERK

TOMMY WATERS, CHAIR AND PRESIDING OFFICER