On March 15, Mayor Blangiardi delivered his second State of the City address. The speech highlighted the City's shift from COVID-19 response to driving economic recovery and prioritizing more efficient delivery of core city services to O'ahu residents and businesses, including:

**Modernizing City Operations:** From reorganizing the Department of Planning and Permitting (DPP) to expedite City planning and permitting processes to upgrading old technologies, expanding City servers and storage, upgrading radio sites across O'ahu and facilitating online payments for City services, the Department of Information Technology (DIT) and DPP are committed to bringing City operations into the digital age.

**Homelessness and Affordable Housing:** The City, along with key non-profit partners, rehoused 300 households accounting for nearly 800 individuals previously experiencing homelessness through the O'ahu Housing Now program. Additionally, the CORE (Crisis Outreach Response and Engagement) program, which started in Chinatown as part of Mayor’s commitment to improved safety and security, is now expanding to help vulnerable homeless individuals in other communities.

**Rail:** The City remains committed to planning and building rail to Ala Moana and, ultimately, UH Manoa, linking five major college campuses. However, working with the Federal Transit Administration (FTA), the City and HART will be offering a Recovery Plan with a project commitment to build a system through Honolulu’s major employment centers, including Downtown, to the Civic Center Station (Halekauwila and South St) as a functional alternative in return for the FTA’s commitment to release the remaining federal funds. See below for additional details.

To read the Mayor’s full State of the City address, visit https://www.honolulu.gov/cms-may-menu/site-may-sitearticles/792-site-may-featured-cat/46433-mayor-rik-blangiardi%e2%80%99s-state-of-the-city-address.html.

**STATE OF THE CITY**

**THIS MONTH’S HIGHLIGHTS:**
- State of the City
- Rail Update
- The Budget
- Federal Funding Update
  - Crisis Outreach and Engagement (CORE)
  - Electric Vehicle Charging Infrastructure

**RAIL UPDATE - PENDING FTA APPROVAL**

**20 MILES/21 STATIONS**
Currently, under the Full Funding Grant Agreement (FFGA), the City must build 20 miles and 21 stations, from East Kapolei to Ala Moana Center, even though the City does not have the financial capacity to complete the project.

**18.75 MILES/19 STATIONS**
Instead of stopping at Middle Street, the City and HART propose the rail system initially build 18.75 miles and 19 stations as a functional alternative for the release of the remaining federal funds. The City would also defer, not eliminate, the planned Pearl Highlands Parking Garage.
THE BUDGET AND ARPA

For Fiscal Year (FY) 2023, Mayor Rick Blangiardi submitted a proposed Operating budget of $3.35 billion and a Capital Improvement Program (CIP) budget of $801.6 million to the City Council. The City’s key areas of focus for FY23 include improved delivery of core City services, modernizing government operations for greater efficiencies, investing in our people and communities, accountability and excellence in service, diversifying our economy with a focus on job growth, and establishing new and improved distribution processes for federal relief funds (ARPA State and Local Federal Recovery Funds) to provide transparent and equitable relief to those individuals, households and businesses struggling to make ends meet on O‘ahu.

On June 7, 2021, the City received and accepted -$193M in federal relief funds. After working and collaborating with the City Council and listening to the public, the City filed its 2021 Initial Recovery Plan with the U.S. Treasury on August 31, 2021. Since then, the City has been executing and implementing programs consistent with Council and administration priorities, including public health and modernizing City operations. The City is now transitioning to programs addressing community needs, including business relief, non-profits and communities on O‘ahu disparately impacted by COVID-19. As of March 31st, the City has expended -$162M and approved -$55.8M for program implementation.

To read the FY23 budget proposal, go to: https://hnldoc.ehawaii.gov/hnldoc/browse/communications

OTHER FEDERAL FUNDS UPDATE

The City and County of Honolulu will receive more than $20M in funds directed by Congress for specific projects. Our sincere thanks to our Congressional delegation, most especially to Senator Brian Schatz and Congressman Ed Case, for the first round of Congressionally directed spending (CDS).

The largest project is $10M for the City to purchase battery-electric buses and charging infrastructure to provide electric bus service along the Route 40 corridor.

Other sizeable projects include $3.5M to support the Crisis Outreach Response and Engagement (C.O.R.E.) program, which diverts 911 calls regarding non-violent unhoused people to a trained crisis outreach staff, and $2.6M to help purchase a 12-unit building that will be devoted to housing survivors of domestic violence.

Among the smaller, but still impactful, projects are $1.9M to support the installation of 87 public electric vehicle chargers at 35 city-owned parking facilities on O‘ahu. $1.8M to be used for new backup generators at five Honolulu Fire Department (HFD) stations, and $300,000 for Honolulu to develop a complete inventory of its tree assets, which is essential for determining the number of publicly owned trees, planning for new trees and tracking the maintenance needs of our existing trees.

In addition, the City Department of Transportation Services (DTS) applied for and was awarded $21M in competitive discretionary federal operating assistance funds by the Federal Transit Administration (FTA) as part of the American Rescue Plan Act (ARPA). This extended funding award allows transit agencies to maintain essential services impacted by COVID-19. Mahalo, again, to our Hawaii Congressional delegation and our City departments for their hard work applying for and receiving much-needed federal funds for the City and County of Honolulu.