



City and County of Honolulu  
Mayor Rick Blangiardi's  
**State of the City Address**

March 15, 2022

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## **Mayor Rick Blangiardi's State of the City Address Tuesday, March 15, 2022**

Good morning and aloha,

Before I begin, I want to acknowledge our entire Cabinet – Directors and Deputy Directors – and Councilmembers: Chair Tommy Waters, District 4; Vice Chair Esther Kia'āina, District 3; Floor Leader Andria Tupola, District 1; Heidi Tsuneyoshi, District 2; Calvin Say, District 5; Carol Fukunaga, District 6; Radiant Cordero, District 7; Brandon Elefante, District 8; and Augie Tulba, District 9 – along with my wife, Karen Chang, who are all here in attendance at the Mission Memorial Auditorium this morning.

I want to thank each and every one of them for all of their hard work, dedication, and all-around grit in working together in our first year in office, under some very difficult conditions, as a result of the COVID-19 pandemic.

I am humbled by your passion and caring, for your hard work, and the people we serve together. I have no words for the gratitude I feel in my heart for all of you, and the incredible honor I have in serving as Mayor. After 14 months in office, I am most privileged to deliver my 2<sup>nd</sup> State of the City Address.

Last year's address was somewhat limited because we had only been in office for slightly more than 60 days. However, our initial efforts during that time provided the strong foundation needed for our Team to address the myriad of challenges facing the City and County of Honolulu as well as our Administration.

We have been determined not to allow the pandemic to stop us from doing what we were elected to do. COVID required us to respond and recover simultaneously and it also required us to make challenging decisions involving the safety and wellbeing of our people and businesses.

By their nature, crises tend to exacerbate existing weaknesses in operating systems, and we quickly understood our vulnerability as we worked diligently to figure out our best path forward.

It has been a gut-wrenching journey through the Tier System we found in place coming into office, followed by the onslaught of the deadly Delta variant last September, and finally battling through the aggressive and highly contagious Omicron variant for the past several months.

Ten days ago, we dropped the last of our restrictions, “Safe Access O‘ahu.” I would like to express my most sincere and tremendous appreciation to our residents and communities throughout our island who fought back bravely against this disease from the outset. Through their positive actions and genuine concern for others in getting vaccinated, mask wearing, and socially distancing when appropriate, we achieved remarkable results against the dangerous spread of this terrible disease.

To our healthcare professionals and first responders, there are no words to express the incredible gratitude we all feel for your tireless work and loving care you extended to the many thousands of people who really needed you during these challenging times.

We will never forget your truly heroic and completely unselfish giving of all you had to give to help so many of us.

Please allow me to be that voice of profound respect and deep appreciation for the countless thousands of people whose lives you touched forever! Thank you!

Now, we all go forward together, determined to put this dreadful and, at times, terrifying experience behind us as we look to regain our balance in all aspects of living our lives.

## **Budget Overview**

Our key areas of focus for the Fiscal Year 2023 budget include improved delivery of core City and County of Honolulu services to the people, modernizing government operations for greater efficiency, investing in people, accountability and excellence in service, diversifying economic sectors with a focus on job growth, and establishing new processes to provide transparent and equitable relief to those struggling to make ends meet.

The budget emphasizes our commitment to reduce homelessness, build affordable housing, prioritize public safety, improve intermodal transportation (including a functional rail system the City can afford), improve infrastructure with a focus on climate change adaptation projects, take better care of our parks and expand our park facilities, we want to increase fiber-optic connectivity and transition to state-of-the-art traffic signal technologies, renovate public municipal facilities, jump-start electrification of transportation, all while prioritizing sustainable, resilient, and responsible economic growth on O‘ahu.

The City is also committed to responsibly fund 100% of the annual required contribution of \$188.1M for current and future retirees’ health care benefits (OPEB).

As we eagerly look to put COVID behind us, we fully recognize we are dealing with another crisis decades in the making – a housing crisis, where demand grossly exceeds housing inventory at all income levels.

We are laying the foundation to set new growth targets in this sector by taking the opportunity to reopen, and rethink how we work collectively and smartly with public and private stakeholders.

This includes working diligently to strengthen the alignment between the City's priorities and projects with State, Federal, and non-governmental resources.

Lastly, I want to be on record stating that every line in this comprehensive budget of more than \$4.1B is directed at restoring confidence, faith, and trust in our City and County of Honolulu government through superior performance and earned credibility.

## **Homelessness**

We are determined to take an innovative approach in addressing the unacceptable conditions of our homeless problem, which has severely impacted all of us here on O'ahu for a very long time, and for that matter, many cities all across the mainland.

We strongly believe that past City practices, while well intended, were not effective in providing a workable strategy inclusive of the necessary resources to get our homeless population off the streets.

Most importantly, the City was failing our homeless in not providing them with real help in dealing with their medical issues, mental health problems, and substance abuse.

The street is not a home – and we cannot keep looking the other way with people sleeping on sidewalks, at bus stops, in doorways, or under freeways.

With collaboration from our Department of Community Services, the Mayor's Office of Housing and Homelessness as well as our Emergency Services Department, we have launched a new City and County of Honolulu program called CORE - Crisis Outreach Response and Engagement. - CORE!

This is a new and completely different way to engage the homeless population with a solution-oriented approach that focuses on medical, social, and mental health needs. We have converted four retired City ambulances and three retired EMS SUVs to bring the appropriate care to the homeless on the streets.

Though only a few months old, we already have a team of 17 Community Health Workers and Emergency Medical Technicians, which will significantly expand by the end of the year. This team is fully dedicated to solving homelessness head-on in our parks, on our streets and sidewalks, and in our public spaces. The team not only responds to calls, but proactively seeks out those living on the streets or in distress.

CORE will also act as a liaison between all the other government and community partners bringing synergy and efficiency in combatting homelessness. We know mental illness and substance abuse is prevalent in the homeless population, so focusing on treatment centers and stabilization shelters that can handle these issues is key. Since we currently don't have enough of these specialized facilities, we are making this another top priority. In addition to existing City properties, we are taking steps to expand our stabilization housing inventory near existing treatment resources, and we will do this by partnering with our non-profits and others such as the medical school (John A. Burns School of Medicine) and all of our nursing schools.

Together we can get it done.

So, we have the right strategy and we are developing the resources, but I want to stress our key challenge is that once CORE identifies those in crisis and gets them off the streets, we must have places to take care of them, and ultimately house them.

We fully recognize people on the streets are human beings, our brothers and sisters, and we can simply not leave them behind.

It is gratifying to report that our O‘ahu Housing Now Program, using available Cares Act funding, set an ambitious target for itself one year ago this month, to rehouse a minimum of 300 households who are currently experiencing homelessness.

On February 23, 2022, the City and County of Honolulu’s Department of Community Services and its lead agent, Partners in Care, met its goal of housing its 300<sup>th</sup> household representing 787 individuals.

My most heartfelt appreciation and gratitude to Laura E. Thielen, Executive Director for Partners in Care, and her project team of Housing Solutions, Inc. who handles the monthly rental payments. Also, a special mahalo to Family Promise of Hawaii and Alternative Structures International, both of whom provided much needed wrap around case management services. I would also be remiss in not recognizing Connie Mitchell and IHS for their enduring work with the homeless on O‘ahu.

O‘ahu Housing Now gives us a chance to address new groups like the working homeless, and provide them with very real opportunities to succeed.

More importantly, more than half of the families housed under O‘ahu Housing Now were from the most vulnerable COVID-19 populations – Native Hawaiians and Pacific Islanders.

Now, to sustain these critical programs, the City must update its financial payment system and make sure our partner resource agencies have timely access to funds and, today, I commit that the City will take the steps necessary to make this happen.

## The Rail

Our transition in taking over the responsibility for completing the Rail was challenging to say the very least, given all that had preceded us. Facing a history of cost overruns, an inadequate budget and delayed construction timetables, including a disillusioned public, and our weary and concerned partner, the Federal Transit Administration (FTA), our first order of business was to regroup the team of City leaders and key principals overseeing the construction and ultimately the operations of the Rail, a team that had all but quit working together during HART's time spent pursuing a public-private partnership.

This regrouped team included the newly installed CEO and her Executive Team at HART; the Chair of the City Council, Tommy Waters; the Chair of the HART Board, Ms. Colleen Hanabusa; our Senior Leadership Team from our Department of Transportation Services who will be responsible for the operations and maintenance once we begin providing service, as well as our Managing Director, Mike Formby, and myself.

We have met weekly since taking office with the intent of determining our financial and technical capacity, with respect to the construction and operation of the Rail. We have also continuously updated the FTA on our progress as we worked to truly understand the reality of Rail.

Coming into office, one of my core beliefs in running a business is to understand the numbers, and if the numbers don't make sense, the strategy doesn't make sense.

We came in with that philosophy, committed to developing a strategy for the completion of a functional rail system, which translates into building the rail system that serves the riders by going as far as possible based on the available funding sources. And coming into office, I knew one thing for sure, the numbers supported going beyond Middle Street and Middle Street would

never be a functional stopping point for the community that will depend upon and ride rail.

As a practical matter, over the last year, we asked ourselves given our responsibility and commitment and the people of Oahu and the FTA, what does success look like, based on the money?

Last Friday I met with Ms. Nuria Fernandez, the Administrator for the FTA in Washington D.C. to provide her with background information, since taking office on our efforts to manage the Rail Project as well as to get an update from her on the status of our partnership with the FTA from her perspective.

I also wanted to advise her that after months of work we are in the process of completing our recovery plan by June 30<sup>th</sup>, and that our strategy includes receiving the entire remaining balance of \$744M in FTA funds, funds essential to delivering a functional rail system to the people.

That meeting was followed later in the day with another meeting with Lori Kahikina, Executive Director and Chief Executive Officer of the Honolulu Authority for Rapid Transportation (HART), and Mr. Roger Morton, our Director of the Department of Transportation Services.

We wanted to assure the FTA that the Recovery Plan we will be submitting was tracking accordingly with their expectations.

We also wanted to leave Administrator Fernandez and her team with a sense of the economic, political, and management hurdles we have overcome, and will continue to overcome, in our unwavering commitment to deliver a functional rail system for the people within our City's financial capacity.

Everything I am about to say is subject to the FTA's approval and we will not have any 'official' approval from them until after they

have fully vetted our plan which we are submitting on or before June 30, 2022.

I asked for permission to share the fundamental elements of our plan, and they agreed I could talk about it publicly for the first time, provided I stressed our plan is not yet “officially approved.”

Currently, we are bound by a Full Funding Grant Agreement (FFGA) to our construction partner the FTA, signed by Mayor Carlisle in 2012, to build the Rail system to the following scope:

- 20 miles/21 stations
- 20 4-car trains
- East Kapolei through Downtown to Ala Moana Center

In submitting our Recovery Plan to the FTA, we will propose we amend the FFGA to the following scope:

- 18.75 miles/19 stations
- East Kapolei, through Downtown, to the Civic Center Station (Halekauwila and South Street), which is 1.25 miles and 2 stations short of Ala Moana Center. Our Recovery Plan will also require value engineering and deferral, not elimination, of the currently planned Pearl Highlands Parking Garage, which is currently on the books at a project cost of \$330M for 1600 stalls at a cost of \$206K per stall with negligible impact on ridership.

It is very important to note we will build the Pearl Highlands Bus Transit Center and H-2 Highway Access Ramp to optimize ridership for those coming from Central Oahu and the North Shore.

We believe this creates a highly functional rail system through Pearl Harbor, the airport, and the Downtown district... ALL major employment centers.

The current combined State GET/TAT, the new City TAT, the FFGA \$1.55B and the City’ s original commitment of \$214M will

provide approximately \$9.8B in projected funds, and consequently this also provides us the financial capacity needed to complete the project as we are proposing.

This represents \$9.1B in construction, and \$650M in financing costs with a little cushion and a commitment to continue refining our project cost downward.

As an additional update, HART recently completed 100% of the design work for the Utility Relocations in the Downtown Corridor starting in Iwilei and through Chinatown, Downtown and Civic Center. All designs were done according to design standards and approved by the City and 3<sup>rd</sup> Party Utilities. This is something HART has struggled to accomplish in the past.

We are also very pleased to report that a solution has been found to the wheel/rail alignment (wheels thinner than the tracks) that involve a Manganese weld repair of the track.

The nine most western stations, from Kapolei towards the Urban Corridor are complete, and the next four stations are more than 60% complete. Along with the fact that the guideway structure, all the way to Middle Street, is also complete; that means 75% of the guideway starting in East Kapolei has been built.

We have received 18 of the car trains.

As of today, we are anticipating and preparing for the first operating segment of the rail system to be turned over to the City late this calendar year 2022 or early 2023 at the latest. This will require the successful completion of the 90-day trial running period, but we expect to be providing service from East Kapolei to Aloha Stadium once that is done.

The Department of Transportation Services will redesign existing bus routes and implement new services to provide seamless connections to and from the rail line. Some of these services will

focus on connecting our residential communities to the Rail, and all the services will be implemented to provide frequent express trips on both ends of the rail line. These express trips will connect both end-of-the line rail stations to Kapolei's Ka Makana Ali'i Center and Downtown Kapolei and points beyond on the west side, as well as Ward, Kakaako, Ala Moana Center, Waikiki and UH Manoa in the east.

We want to especially encourage college students to use public transit. The Honolulu rail system is currently designed to link up three University of Hawaii campuses plus the Hawaii Pacific University (HPU) campus, with an eventual expansion to UH Manoa. Together these campuses have more than 35,000 students.

UH Manoa continues to be an important focal point for our transit system. When interim rail opens, we will provide a streamlined limited-stop City Express service to the UH Manoa campus along with four other major bus routes.

All students at the UH Manoa campus, together with students at Kapiolani Community College and the Hawaii Pacific University participate in our U-Pass Program in which all students are entitled to low-cost transit service through an agreement with participating schools.

We are working to integrate campus activity cards with our rail HOLO card system so students only need to tap their activity card rather than having to carry multiple cards.

Effective December 14, 2021, Bill 40 gave the City authority to levy the O'ahu Transient Accommodation Tax (TAT) at a higher rate than previously allocated by the State.

The effective tax rate of 3% will result in budgeted TAT Revenue of approximately \$86M in fiscal year 2023.

Prior to COVID-19, the State's allocation of TAT to Honolulu was about \$45M per year.

Our planned allocation of the revenue will have 33.33% of the TAT revenue or (~\$28.66M) going to the Rail Project in the first two years, and 50% or (~\$43M) thereafter in perpetuity.

The balance of the TAT revenue will help to optimize and cover core services and the many demands in operating the City and County of Honolulu, including critical funds to operate and maintain our parks and preserve our natural resources.

First and foremost, Bill 40, now Ordinance 21-33, reinforces our financial commitment to build a functional Rail project, adding credibility to the financial capacity of our Recovery Plan to be submitted to the FTA in June as I said earlier.

We are confident Ordinance 21-33 will help greatly in securing the FTA's approval of the revised Recovery Plan, which will trigger the much-needed release of \$744M, the remaining federal commitment funds under the Full Funding Grant Agreement.

We have every confidence in the future of the Rail and we know it will have a transformative and positive impact on our communities leading to a better quality of life for generations to come.

Because fundamentally, Rail will not only connect people and communities, it will connect people with jobs, recreation, businesses, education, entertainment, service providers and health care. It will also stimulate the development of affordable housing and provide those dependent on transit with faster, more efficient service.

In closing on the Rail, while our Recovery Plan will propose to adjust the east-side terminus to the Civic Center Station in Kakaako, which will allow the City to receive full federal funds per the FFGA, funds which have not been released since 2017, we

still believe in a future connection of the Rail to UH Manoa. But for now, we must move forward with a project that is functional and within the City's financial means. It took a lot of work by many professionals to get to this place, but in the end, the numbers dictate the strategy and this strategy makes sense for O'ahu residents, transit riders and taxpayers.

## **Affordable Housing**

In a 2019 Hawaii Housing Planning Study assessing the unmet demand for housing on O'ahu, the total units needed through 2025 was forecasted at 22,186, with 16,793 of those units 140% of the Area Median Income (AMI) and below.

Coming into office, we knew O'ahu's unmet housing need was decades in the making. Our commitment was to rethink old ways and look for new solutions while getting things done and I'm proud to say our team has been doing just that, driving execution while strategizing on new and different ways to incentivize and facilitate the development of housing versus the old way of trying to regulate our way out of this chronic situation.

Not only did our team finalize the permits for the Halewaiolu senior housing project in Chinatown, which broke ground in June 2021, in our first year we formed an Affordable Housing Working

Group to tear down silos and bring the many departments with a role in affordable housing to collaborate on acquisitions, projects, policies and strategies. The working group listened to those already working in the affordable housing sector (and continues to listen, now meeting with and talking to affordable housing non-profits and developers), gathering insight on what historically hasn't worked, why it hasn't worked and what best practices could work in the future.

The working group assigns tasks that have already resulted in two new programs targeting the financial challenges to building affordable housing, the County's GET exemption program and a County program to issue tax exempt Private Activity Bonds to affordable housing developers, a program the City walked away from over 23 years ago.

The working group also began assessing and prioritizing land acquisitions for affordable housing development by targeting those properties best situated with existing water and sewer capacity and utility connections, with 3 properties currently targeted for development, including the Royal Kunia box car lot with not only affordable housing, but a child care center, a property in Waikiki currently planned for senior housing, and a property in Iwilei. The City is also investing up to \$30M in the development of affordable housing inventory on O'ahu, with the proposals currently under review by the Department of Community Services.

For existing projects, the City is prioritizing the Aiea Sugar Mill senior affordable housing project, Kapolei Lots 6 and 7, West Loch Affordable, West Loch Modular, a Pearl City apartment complex targeted for renovation and expansion, the Hawaii Resource Center, and 27 units in Iwilei and Varona Village which requires significant cross-sector work to move the project into development.

When it comes to affordable housing, our administration is not only focused on acquiring land for future developments, acquiring existing properties for renovation and adaptive reuse and fast-tracking existing projects that have yet to deliver inventory to the market, but we are focused on new policies, new best practices and new strategies that will transform the City's role in affordable housing away from being a regulator and towards facilitating and partnering with the affordable housing community.

The first step, which we have already accomplished, was identifying and breaking down the silos in the City that complicated and frustrated the timely development of affordable housing, and now we are on to step two, strong and regular collaboration across sectors, with improved lines of authority, more efficient inventory management, new policies and best practices, and dedicated work towards the development of a new housing strategy and policy for the City and County of Honolulu.

Affordable housing is one of my administration's top priorities, but we must understand the problem that has plagued our City for decades before we innovate new solutions. My team is on the right path and I commit to you their focused, collective work will, and is, leading to better solutions in the years and decades ahead.

### **Department of Planning and Permitting**

Our challenge in addressing decades of frustration and inexcusable delays in providing critical building permits from simple remodeling projects to large-scale housing developments aimed at every economic sector is monumental. This department woefully lacked staffing, technology, resources, and efficient operating procedures.

A long history of audit-identified issues and challenges were, unfortunately, exacerbated by graft and corruption as evidence by the Federal indictments and arrests of five employees shortly after we took office.

Transforming the Department of Planning and Permitting is more than key to efficient City operations. It is absolutely vital to our island's housing needs and economic recovery from COVID.

Consequently, from the onset of our taking office, DPP has assessed and evaluated the many varied policies and processes

under the department's authority to identify gaps, inefficiencies, and irregularities.

For example, to address rising concerns with 3<sup>rd</sup> Party Review (TPR) projects due to reports of construction problems, non-compliance with Codes and Ordinances, and the Federal indictments, the DPP initiated an audit of TPR as allowed under the Administrative Rules, which discovered substantial shortfalls that are now being addressed.

Strikingly, the audit found that barely 50% of TPR projects met the requirements for permit issuance, an unacceptable result.

In a drive for much-needed change, DPP has embarked on the modernization of DPP permitting software and technologies for Residential and Commercial Building Permit Applications.

The new system for residential permits is now 50% complete and will go "live" this year!

We are increasing the staffing levels dramatically at DPP, and our 3-year plan calls for an additional 80 people in addition to filling 80 plus vacancies, which will also lend itself to a long overdue reorganization of the department to promote greater efficiency.

We are fully committed to supporting and accelerating housing development, TOD project approvals, and infrastructure implementation, in collaboration with other City departments, the State TOD Council, and the entire development industry as a whole.

As evidence of that commitment and, as mentioned earlier, DPP is restoring the City and County of Honolulu as an active issuer of tax-exempt Private Activity Bonds (PAB) and the City is approving and exempting from general excise taxes any qualified person or firm involved in a newly constructed affordable housing project or

a moderately or substantially rehabilitated affordable housing project.

This is about strategic and transformative change that will benefit our residents, and strengthen the City's ability to deliver affordable housing on a sustainable basis for years and decades to come.

From day one, our team has emphasized the need to address affordable housing for our residents and these are significant steps forward toward long term generational solutions.

On the issue of monster homes, we have recently revoked permits that were wrongfully issued, and will continue to be vigilant in this effort to ensure all home construction on O'ahu complies with building codes and regulations.

### **DPP Solar**

One last important achievement at DPP was near the end of 2021, DPP moved the application and approval process for all residential solar photovoltaic (PV) systems and PV battery permits with a material and methods approval (MM) from a very tedious and long delayed in-person over-the-counter experience, to online.

This will expedite and simplify permitting for solar PV companies and residential customers. As of today, more than 55% of *all* online building permits are for residential solar PV or PV battery.

Lastly, I want to discuss a very important piece of pending legislation that is of paramount importance on many levels to the future of O'ahu.

At the height of the pandemic when visitors stopped coming to our shores, one positive result came to light: illegal transient accommodations dropped dramatically and our neighborhoods were returned to their residents.

With Bill 41, we intend to preserve our culture and sense of place in our residential communities by banning all bed and breakfast and transient vacation rentals, except for those that are legally permitted to operate.

By limiting and better controlling the number of short-term rentals, we are opening up long-term rental housing for residents, which will help in addressing the current affordable housing crisis.

The objective of Bill 41 is to stop the expansion of B&Bs and short-term rentals into residential-zoned neighborhoods, but allow for expansion of vacation rentals in or near select resort-zoned communities.

The Bill is moving forward at the City Council and is expected to be heard by the Zoning and Planning Committee on March 23rd. If passed by the committee, Bill 41 will go to a third and final reading before the full City Council.

We ask that everyone who would like to see our neighborhoods returned to our residents and the City better manage tourism and protect our precious natural resources to support Bill 41 at the City Council.

**City Operations**  
**(DIT, HESD, HFD, CCSR, DHR, DPR, CSD)**

**Department of Information Technology**

Simply put, operationally, we are not in sync with the fact that we are in the third year of the third decade of the 21st century.

It will take a widespread effort across nearly all of our departments on a sustained basis to get us there; however, we are closing big gaps in our pursuit of catching up with the future.

Leading our team is our Department of Information Technology (DIT) with a number of innovative solutions to facilitate City operations while providing better service to our residents and businesses. To name just a few of the new and exciting developments:

- HNLPay – A new digital payment platform that consolidates electronic payments across the City, handling card payments, paper and digitally submitted checks, full settlement and payment reconciliation, and integration into the City’s financial system. The system was created without incurring any external services or development costs and there are no recurring costs to maintain the system. HNLPay allows the City to expand the number of online services, while reducing the integration effort.
- Data Center – A new state-of-the-art primary data center was built; utilizing automated cooling systems that reduce the energy required for cooling densely packed servers, redundant lithium-ion backup systems and utility feeds to ensure networks and applications remain available. The new facility occupies almost 50% less space and is 30% more energy-efficient than the old data center. Existing fiber optic cabling was replaced to provide greater capacity, higher speeds, reduce redundancy, and a new modular, virtualized network can be reconfigured without re-cabling. A large, new operations area was built to allow each operator to have a clear view into the new data center, as well as a video wall, for effectively monitoring and managing the data center and other operations.
- Machine Learning – The City recently installed a more advanced graphics processing unit capable of handling 2.5 Quadrillion floating point operations per second. This will allow the City to take advantage of the computational ability of machine learning applications that were only imagined several years ago. Some of the projects we are pursuing include machine learning to read handwritten images and extract of

text for cataloging for the Department of Planning and Permitting.

- Constituent Relationship Management (CRM) – The deployment of OneView will enable City and County of Honolulu leaders to manage and streamline citizen engagement and communication. It will allow the City and County of Honolulu to efficiently respond to citizen requests (and complaints) and streamline the allocation of government services.
- DPP Scanning – The Department of Planning and Permitting (DPP) has microfilm, and aperture card archives of decades worth of building plans and permit documents. The DIT will perform semi-automated imaging of this material and utilize machine learning to detect the images and extract text for cataloging. Digitizing these records will allow customers to access the documents online instead of having to physically come down to the City; and
- Hanauma Bay Online Reservation – For fun and recreation, our Hanauma Bay Online Reservation System allows the public to reserve an entry time into the nature preserve while our PROS Management System for the Department of Parks and Recreation (DPR) expand our Summer Fun Program registrations.

### **Honolulu Emergency Medical Services Department**

In addition to this innovative work, we are also transitioning our Emergency Medical Services Department (EMS) to a City-funded and operated agency from the State.

I trust we all know and greatly appreciate that EMS has been the front-line medical responder for COVID in our communities, and on a daily basis are the unsung heroes in saving lives. An example of our ability to improve service to the public is that we have recently added EMS coverage by increasing the Makiki and Ewa Beach ambulance service from 12-hours to 24-hours a day.

We have also added 29 lifeguards to our Ocean Safety Team to cover our beaches with extended hours of coverage – known as “Dawn to Dusk” by converting to 10-hour shifts for portions of our Ocean Safety Team.

### **Honolulu Police Department**

A year ago today, I reported that in order to balance the City’s Budget we elected to impose a hiring freeze *except* for our first responders.

That decision was driven by economic necessity; however, despite that circumstance, we were also committed and determined not to compromise the safety of the public.

At that time, we had more than 300 openings in our Police Department, and we also had personnel deficiencies with our other first responders in Ocean Safety, EMS, and our Fire Department.

After only several months from announcing a hiring freeze, we ended our hiring freeze. However, despite our ramped up recruiting efforts across all of the City’s departments, we still have 322 openings today in our Police Department.

In fact, the City and County of Honolulu currently has more than 3,000 vacancies, adding greatly to the daunting fact that 15% of our current workforce is eligible for retirement.

This situation has been years in the making and consequently we have made investing in our people and recruiting a very high and necessary priority.

We are in the process of revamping inefficient processes that have hindered us from producing more effective hiring results, and we are going to recruit aggressively!

I want to sincerely acknowledge the very hard-working men and women who work for the City and County of Honolulu today; however, their efforts and that of the leadership of our cabinet team are severely compromised in reaching our potential in serving the people of O‘ahu as a result of our staffing shortages.

The number of people required to get the job done in many areas are simply not there, causing frustrating and unnecessary delays.

Lastly, and this a point of contention for me, the process of naming our next Chief of Police has taken far too long, and I am choosing to be optimistic that we will have this important decision finalized in the near term.

### **Office of Climate Change, Sustainability & Resiliency**

We cannot consider ourselves a modern City if we are not doing everything possible on the subject of climate change, especially as island dwellers.

Our Administration released and City Council adopted, the City’s first ever Climate Action Plan, a community driven strategy for O‘ahu to combat climate change, increase City sustainability, and work with communities to build a more resilient O‘ahu.

We will implement projects, programs, and grants by working with community partners and various City departments, to ensure our community is ready to address climate change impacts facing our island home, such as rising seas and warmer temperatures.

Climate resilience requires both preparing communities for impacts and climate action reducing greenhouse gas pollution, which fuel these growing concerns.

At the large scale, we are in the process of engaging the community for their input on two very important projects for the future of O‘ahu.

We are partnering on new concepts with the U.S. Army Corps of Engineers to address very serious flooding risks in both the Ala Wai Canal Watershed and Waialele Stream through Laie.

These are both essential long-term projects to provide community security in the face of seasonal and heavy rains, storms that can be tracked in advance, and very dangerous and difficult to predict “rain bombs” and flash flooding.

We’re also investing in our future with electric buses (fleet of 17) – reducing our dependence on expensive foreign fossil fuels; providing cleaner and quieter community connections for keiki to kupuna; and continuing the legacy of first-class public transit with TheBus.

Finally, I am also very pleased to announce that Honolulu was recently recognized as one of three “most improved” U.S. Cities in a notable national survey of Cities taking clean energy and transportation action to address changes in our climate while improving our communities.

### **Department of Customer Services**

In the area of the Department of Customer Services (CSD), The elimination of the City’s backlogs in Driver’s Licenses, State IDs, Motor Vehicle Registrations, and dealer transactions hit us in the face as soon as we walked through the door.

At the beginning of 2021, the City experienced an unusually large carry-over of expired Driver’s Licenses (DLs) and State Identification Cards (SIDs) from the prior year due to COVID-19 shutdowns and social distancing protocols, which coincided with a year (2021) when the volume of renewals would be very high anyway. By implementing a strategic combination of staff overtime, operational streamlining, equipment updates and contract staffing, CSD was able to meet the demand of the backlog together with the current expirations to catch up with all

renewals by the end of 2021. CSD doubled its processing output for monthly renewals. In addition, the backlog of motor vehicle renewals were eliminated from more than six weeks to the accepted time of 10 business days.

An accumulated six to eight-week dealer registration backlog was addressed by deploying Satellite City Hall staff and overtime; the current turnaround time for dealer transactions has been reduced to an acceptable timeframe of six days or less.

For the first time in many years, the CSD has committed to answering phone calls from the public regarding driver licenses, State IDs, and motor vehicles.

In January 2021, our staff answered an average of 7% of more than 3,000 calls that were coming in each day. Not good numbers....

The CSD deployed a hybrid outsourced call center with internal staff expertise to respond to calls. By the end of December, the call volume had been reduced to an average of 1,200 per day with more than 80% of the calls picked up and responded to.

As an example of the impact of this new call center approach, in 2020 the “No answer” complaints from the public averaged 78 complaints per week. By the end of 2021, the number of “No answer” complaints averaged 5 or less and, in some weeks, it was “zero!”

### **Launch of the City’s first Chatbot “Akamai”**

CSD launched the City’s first chatbot on its website, which is conversational Artificial Intelligence, or “AI” and is called “Akamai.”

The chatbot instantly answers the simplest and most frequently asked questions from thousands of O’ahu residents in quick voice or text responses. Akamai allows the public to access information

easily via our website, and is now able to respond and communicate in several different languages.

This innovation assists the public and reduces the need for people to speak to a live agent on the phone, which creates efficiencies in our business operations, and ultimately a much-improved customer experience.

### **Department of Parks and Recreation**

Our Department of Parks and Recreation recently signed an agreement with NORESCO, an innovative energy service company that will provide energy savings, and help us beautify our parks by decreasing the DPR's utility (water and electrical) and chemical costs.

I would be remiss in not mentioning that last summer in the midst of COVID, our Department of Parks and Recreation's Summer Fun Program was made possible by the combined efforts of our maintenance, recreation, and support staff; registering a total of 5,425 participants at 65 sites. Furthermore, the Summer Food Service Program fed 3,416 participants at 40 sites. And this summer, we are planning to bring Summer Fun where we can serve 9,000 youths, with over 5,000 in Title I communities receiving additional services and enrichment activities to help offset the loss of social skills and educational levels they suffered from due to the pandemic. This will include lunch in enrichment activities such as field trips to wonderful City lands such as Kualoa Cultural Beach Park, one of our Botanical Gardens, the Zoo or Hanauma Bay. Bravo!

### **Office of Economic Revitalization (OER)**

A cornerstone of our efforts to help rebuild and reshape our local economy is our O'ahu Back to Work Program.

Simply stated, this is about helping people who were adversely affected by the pandemic find good jobs that pay well.

The City and County of Honolulu partnered with the University of Hawaii Community Colleges to offer free job training for in-demand jobs in technology and business, healthcare, education, clean energy, and skilled trades.

We are fully committed to improving and updating O'ahu Back to Work for 2022.

I am especially proud to talk about the Rent and Utility Relief Program, which is the City's largest COVID Relief Program and the foundation of equitable recovery.

It has helped more than 11,189 families who are truly struggling and has injected over \$123M into our economic recovery since starting last year.

We are hopeful to be able to distribute another \$65M in the months ahead.

A special note, the program and our partners, Catholic Charities Hawaii and the Council for Native Hawaiian Advancement, played a major role in preventing a landslide of newly homeless families when the Governor's eviction moratoriums ended in the fall of 2021.

I am especially proud and very grateful to report that Honolulu has been nationally recognized by the Department of Treasury as one of the top-performing rent relief programs in the country.

We have been able to provide considerable financial relief to our most vulnerable families all around O'ahu.

OER's north star is establishing important careers that will benefit O'ahu's economy away from the 20<sup>th</sup> century and toward a more

promising, emerging economy. We have a three-part plan for the future:

- Preserve good jobs through business relief funds and other support as well as employee skill building opportunities. OER will deploy funds from the American Rescue Plan and other sources to provide relief and help rebuild important employers.
- Create careers through technical assistance for businesses, nonprofits and farmers, fund programs for entrepreneurs, and invest in key economic sectors. The OER will invest in the creation of new good jobs that will replace old jobs that are being displaced by the pandemic, technology, or the global economy.
- Help people find work by supporting struggling individuals to get back on their feet, training people, and offering career placement, and skill building for entrepreneurs. The OER will do more than stabilize people. We will help them retain the work they already have or train for a more promising and sustainable new career.

## **Chinatown**

Despite the many obstacles we knew we were facing, compounded by disillusioned local residents and businesses who had endured years of broken promises, we made a strong commitment to beautifying, revitalizing, and improve much needed security in Chinatown...the crown jewel of our Downtown Corridor.

Last February, one month after we took office, our entire cabinet walked through all the streets in Chinatown to see firsthand what needed to be done.

On March 15<sup>th</sup> last year in our State of the City Address, we made public our commitment to revitalize Chinatown knowing full well we would be held accountable to deliver on that promise.

In early May, we delivered a two-page list of initial commitments from eight of our key City departments to the Chinatown Neighborhood Board, advising them we would deliver.

Since that time, we have worked diligently and delivered many items on that initial list of priorities, including an increased police presence and enforcement in our efforts to revitalize Chinatown.

Most notably, after 35 years of operating their ministry and providing free meals to the homeless, the River of Life Mission will continue their ministry, but relocate their feeding operations outside of the Chinatown area by the end of the month.

By every account, this development is very significant and we sincerely acknowledge and thank the good people of the River of Life Mission for working with us to make this possible.

We have made no small plans for Chinatown and in the months ahead, more and more of our efforts will become readily apparent. This is an ongoing commitment and we will have just begun!

## **Culture and Arts**

The list of what we want to achieve for the City and County of Honolulu during our time in office, is a long one. That list begins with providing the most basic of our core City services and expands into innovative and transformative programs and initiatives designed to enrich the lives of our diverse community.

At the heart of our aspirations, we believe supporting our cherished cultures and the arts that commemorate the legacy of

our past, helps us celebrate the world we live in today, and offers hope to all for a better tomorrow is something we must do!

Honolulu is unlike any City in the world, we live in a place with such a rich heritage of both our Native Hawaiian host-culture and the many other peoples and languages that make this special place home.

Whether it's through our commitment to revitalize Chinatown, hosting a major international art exhibition like Hawai'i Triennial 2022, or through our support for the Festival of Pacific Arts and Culture in 2024, we resolve to preserve Honolulu's diverse cultures and support creative expressions of every kind.

I believe that this commitment to the arts and our community fundamentally grounds our administrative philosophy, and creates a culture of inclusivity and enhances our drive to serve the people of Honolulu.

I have every confidence that our Office of Culture and the Arts will prove the City and County of Honolulu to be a supportive and collaborative partner to our incredibly talented and passionate creative community.

### **Special Acknowledgment to Ernest Lau**

I want to personally extend a heartfelt word of thanks, respect, and appreciation to our Manager and Chief Engineer of the Board of Water Supply, Mr. Ernest Lau, and his Deputy Manager and Chief Engineer, Ms. Ellen Kitamura for their courage, strength, and determination in dealing with the Red Hill incident.

Your vigilance on this very dangerous situation epitomizes dedication and service to the public.

On behalf of the City and County of Honolulu, we extend our deepest gratitude, pride, and respect for all of your untiring efforts. BRAVO!

### **Our Team/Closing**

I want to close by once again acknowledging our Team and Members of the City Council for embracing the leadership challenges we face together at this moment in time for our City.

We make no small plans because of the time and circumstance we face together.

I have come to embrace a feeling of responsibility in my role as Mayor unlike anything I have ever known before, and yet, I am so deeply encouraged because I know that I am not in the challenge of a lifetime alone because of all of you.

And, because of all of you, I am most confident things will not only get better, but they have the potential to be the best they have ever been.

On behalf of my wife Karen and our families, we sincerely thank you for this incredible privilege to serve the City and County of Honolulu. God bless all of you.