RESOLUTION

INITIATING AMENDMENTS TO THE REVISED CHARTER OF THE CITY AND COUNTY OF HONOLULU 1973, AS AMENDED, RELATING TO GRANTS IN AID.

WHEREAS, the City's primary source for providing funding for non-profit organizations is monies allocated to the City by the United States Department of Housing and Urban Development's (HUD) Community Development Block Grants (CDBG) program; and

WHEREAS, the City's CDBG allocation from HUD has dropped from $14.5 million in fiscal year 2010 to $11.9 million in fiscal year 2012 and may drop even further in future fiscal years; and

WHEREAS, the non-profit organizations funded by the CDBG monies provide valuable services such as the provision of housing, community development, economic development and human services activities to persons of low and moderate income; and

WHEREAS, the Council believes that, as a result of the decrease in the City's CDBG allocation by HUD, in order to assure that these organizations continue to be funded, a portion of the revenues from the collection of property taxes should be set aside for these organizations; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu:

1. That it propose, and it is hereby proposed, that the following question be placed on the 2012 general election ballot:

"Should a minimum of one percent of annual property tax revenues be appropriated for grants in aid to be awarded by the City Council to federally tax exempt non-profit organizations to provide services to economically and/or socially disadvantaged populations or provide services for public benefit in the areas of the arts, culture, economic development or the environment?"

2. That Article 9, Chapter 2, Revised Charter of the City and County of Honolulu 1973, as amended ("Fund Administration"), be amended by adding a new section 9-205 to read as follows:


OCS/033012/09:44/CT
"Section 9-205. Grants in Aid Fund --

1. There shall be established a Grants in Aid Fund. Monies in the Grants in Aid Fund shall be used by the council to award grants in aid to organizations which qualify for an exemption under Section 501(c)(3) of the Internal Revenue Code or successor provision and provide services to economically and/or socially disadvantaged populations or provide services for public benefit in the areas of the arts, culture, economic development or the environment.

2. In adopting each fiscal year's budget and capital program, the council shall appropriate a minimum of one percent of the estimated real property tax revenues which shall be deposited into the Grants in Aid Fund.

3. No less than $250,000 from the Grants in Aid Fund shall be expended annually in each council district.

4. At any given time, no more than five percent of the moneys in the Grants in Aid Fund shall be used for administrative expenses.

5. Any balance remaining in the fund at the end of any fiscal year shall not lapse, but shall remain in the fund, accumulating from year to year. The moneys in the fund shall not be used for any purpose except those listed in this section.

6. The council shall by ordinance establish procedures for the administration and expenditure of the moneys in the fund."

3. New Charter material is underscored. When revising, compiling or printing these Charter provisions for inclusion in the Revised Charter of the City and County of Honolulu 1973, as amended, the Revisor of the Charter need not include the underlining.

4. That if these Charter provisions are amended by any other Charter amendment(s) approved by the electors in the 2012 general election, the Revisor of the Charter, in revising, compiling or printing the Revised Charter: (a) May designate or redesignate articles, chapters, sections or parts of sections, and rearrange references thereto; and (b) Shall, except as otherwise expressly provided in this resolution or in the other resolution(s) amending these Charter provisions, give effect, to the extent possible, to all of the amendments approved. The Revisor of the Charter may also change capitalization or the form of numbers and monetary sums for the sake of uniformity.
5. That the City Clerk be and is hereby directed:
   
a. To prepare the necessary ballots with the question contained in this resolution and with spaces for "yes" and "no" votes on the question for presentation to the electors at the 2012 general election. The City Clerk may make technical and non-substantive changes to the form of the question presented in order to conform it to the form of other Charter amendment questions presented to the electors at the same election; and
   
b. To publish the above-proposed Charter amendments at length in a daily newspaper of general circulation in the City and County of Honolulu at least 45 days prior to their submission to the electors at the 2012 general election.

6. That upon approval of the Charter amendment question posed in this resolution by a majority of the electors voting thereon, as duly certified, the amendment to the Revised Charter proposed in Section 2 of this "Be It Resolved" clause shall take effect on January 1, 2013.

INTRODUCED BY:

Ernest Martin

DATE OF INTRODUCTION:

February 8, 2012
Honolulu, Hawaii

Councilmembers