
SENATE CONCURRENT RESOLUTION

REQUESTING THE AUDITOR TO CONDUCT A MANAGEMENT AUDIT OF THE
MAINTENANCE SERVICE SECTION OF THE HOUSING AND COMMUNITY
DEVELOPMENT CORPORATION OF HAWAII.

1 WHEREAS, the United States Department of Housing and Urban
2 Development provides federal grants to state public housing
3 agencies as part of the capital fund program authorized by the
4 United States Housing Authority Act of 1937, as amended, 42
5 U.S.C. section 1437 et seq.; and

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7 WHEREAS, these federal grants are awarded to state public
8 housing agencies for the development, financing, and
9 modernization of public housing projects, vacancy reduction, and
10 management improvements; and

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12 WHEREAS, sections 201G-15 and 201G-15.5, and part II,
13 chapter 201G, Hawaii Revised Statutes, charge the Housing and
14 Community Development Corporation of Hawaii with the
15 responsibility:

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17 (1) Of managing and investing federal grants to implement
18 federal housing programs; and

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20 (2) For administering state housing programs, including
21 public housing; and

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23 WHEREAS, effective July 1, 2006, the Housing and Community
24 Development Corporation of Hawaii will become the Hawaii Public
25 Housing Administration pursuant to Act 196, Session Laws of
26 Hawaii 2005; and

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28 WHEREAS, a report on the only audit of the Housing and
29 Community Development Corporation of Hawaii by the State
30 Auditor, Report No. 01-14, September 2001, found deficiencies in
31 the financial and operational management practices; and

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1 WHEREAS, a *Honolulu Star Bulletin* article of
2 December 12, 2005, stated that funding and maintenance issues
3 hinder state housing, specifically noting that there are some
4 seven hundred sixty empty public units, about half of which need
5 major repairs; and

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7 WHEREAS, a *Honolulu Advertiser* article of
8 September 26, 2004, reported that the United States Department
9 of Housing and Urban Development designated the Housing and
10 Community Development Corporation of Hawaii as "troubled" and
11 threatened to begin withholding federal funds or even take
12 direct control if things did not improve substantially by
13 September 1, 2005; and

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15 WHEREAS, the maintenance services section of the Housing
16 and Community Development Corporation of Hawaii has the
17 responsibility for repair and maintenance of public housing
18 projects; and

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20 WHEREAS, the maintenance services section is reported to
21 have a high number of vacant positions that are unfilled; and

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23 WHEREAS, the maintenance services section is reported to
24 have experienced a high number of workers' compensation claims
25 and to have paid a large amount of benefits as a result; and

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27 WHEREAS, a management audit of the maintenance service
28 section of the Housing and Community Development Corporation of
29 Hawaii is warranted to confirm and assess the nature and extent
30 of the operational and internal problems of the maintenance
31 service section; now, therefore,

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33 BE IT RESOLVED by the Senate of the Twenty-third
34 Legislature of the State of Hawaii, Regular Session of 2006, the
35 House of Representatives concurring, that the Auditor is
36 requested to perform a management audit of the maintenance
37 service section of the Housing and Community Development
38 Corporation of Hawaii (to be known as the Hawaii Public Housing
39 Administration on July 1, 2006); and

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41 BE IT FURTHER RESOLVED that the Auditor is requested to
42 submit a report of its findings and recommendations to the
43 Legislature not later than twenty days prior to the convening of
44 the Regular Session of 2007; and



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 2 BE IT FURTHER RESOLVED that certified copies of this
 3 Concurrent Resolution be transmitted to the Governor, the
 4 Auditor, and the Executive Director of the Housing and Community
 5 Development Corporation of Hawaii.
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OFFERED BY:

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