
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 (HUD) provides federal grants to state public
3 housing agencies as part of the capital fund program authorized
4 by the United States Housing Authority Act of 1937, as amended,
5 42 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, an audit of the Housing and Community Development
29 Corporation of Hawaii by the State Auditor, Report No. 01-14,
30 September 2001, found deficiencies in the financial and
31 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 commencing after
 36 January 31, 2007, the Auditor is requested to perform a
 37 management audit of the maintenance service section of the
 38 Housing and Community Development Corporation of Hawaii (to be
 39 known as the Hawaii Public Housing Administration on
 40 July 1, 2006); and

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 42 BE IT FURTHER RESOLVED that the Auditor is requested to
 43 submit a report of its findings and recommendations to the



1 Legislature not later than twenty days prior to the convening of
2 the Regular Session of 2008; and

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4 BE IT FURTHER RESOLVED that certified copies of this
5 Concurrent Resolution be transmitted to the Governor, the
6 Auditor, and the Executive Director and Chairman of the Board of
7 Directors of the Housing and Community Development Corporation
8 of Hawaii.

