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LATE

Statement of
Chad K. Taniguchi
Hawaii Public Housing Authority
Before the

SENATE COMMITTEE ON HUMAN SERVICES & PUBLIC HOUSING

April 18, 2008, 9:00 a.m.
Room 229, Hawaii State Capitol

In consideration of
HCR 172

The Hawaii Public Housing Authority (HPHA) appreciates the intent of HCR 172, requesting the auditor to conduct a management and financial audit of the Hawaii Public Housing Authority's Punchbowl Homes Facility, however believes that an audit is unnecessary.

HPHA is required by the U.S. Department of Housing & Urban Development (HUD) to annually conduct a financial audit. A private CPA firm hired by HPHA is close to completing an audit of FY07. The audit includes, for example, HPHA's basic financial statements, determinations on whether HPHA has complied with state and federal laws and regulations, and assessments on the sufficiency of HPHA's internal controls to properly manage its programs, including the State Elderly Housing Program which oversees Punchbowl Homes. The audit proposed by this resolution would be a duplication of efforts already undertaken by HPHA.

While HPHA invites public housing residents, the community, and Legislature to scrutinize its management of public housing, an audit would not be an effective tool to expedite facility repairs at Punchbowl Homes. Problems indicated in the resolution are being addressed in the following ways:

- (1) The broken and unsecured back door leading to the parking lot has been repeatedly damaged due to abuse by individuals rather than a defect in the door itself. HPHA notes that this vandalism reoccurs as frequently as once a month and has paid as much as \$800 - \$1,000 for a single repair. HPHA's on-site manager has requested a security camera be set up near the door to prevent vandalism; however there is no funding available.
- (2) Currently, elevator modernization is taking place at Punchbowl Homes through funding made available from the Legislature last session. Note that HPHA currently has a request for \$6,410,000 in the FY09 supplemental budget bill for remaining elevator needs at public housing projects statewide. Elevator repair and modernization is a top priority for HPHA.
- (3) HPHA's Construction Management Branch has already scheduled the replacement of the broken trash compactor.

- (4) The front entrance of Punchbowl Homes, which is not accessible according to federal Americans with Disabilities Act (ADA) requirements, consists of a set of stairs which will need to be replaced. The conversion of the stairs to ADA requirements is very costly, however HPHA has plans in the near future to address ADA issues at all of its public housing projects, including Punchbowl Homes. The existing ADA accessible entrance to the building is the same door being vandalized as mentioned in item (1) above.

Please note that the Executive Supplemental Budget included a request for \$20,000,000 in general obligation bonds for public housing capital improvement projects (CIP). This CIP request was cut to \$10,000,000 in the House Draft 1 of H.B. 2500, Relating to the State Budget and \$12,000,000 in the Senate Draft 1. HPHA's housing inventory is made up of 5,363 federal public housing units and 864 state public housing units. The backlog of HPHA capital needs to repair public housing is \$298 million. This backlog will increase at a rate of \$19.5 million per year. CIP funding reductions make it extremely difficult for HPHA to address all of the repair and maintenance needs identified at public housing projects statewide.

HPHA remains committed, however, to providing residents with safe and decent living facilities. HPHA cannot do it alone and requires the support and cooperation of public housing residents, the community, and the Legislature.

Thank you for the opportunity to provide testimony.