

NEIL ABERCROMBIE
GOVERNOR



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Statement of
Hakim Ouansafi
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Before the

HOUSE COMMITTEE ON HOUSING

January 25, 2012 9:20 A.M.
Room 325, Hawaii State Capitol

In consideration of
House Bill 2084
Relating to Hawaii Public Housing Authority

Madam Chair and Members of the House Committee on Housing, thank you for the opportunity to provide you with comments regarding House Bill 2084, relating to Hawaii Public Housing Authority.

The Hawaii Public Housing Authority (HPHA) appreciates the intent of this measure, which proposes a session law directing the State Auditor to conduct an audit of HPHA's management and oversight of Punchbowl Homes. The Auditor would be directed to report at a minimum on: 1) the administration of resident selection, dwelling units, and rentals; 2) repair and maintenance of the facility; 3) accommodations provided to the elderly; and 4) oversight and management of the facility. Our agency recognizes the crucial role entrusted to us of providing public housing facilities that are properly managed and maintained. While at all times we strive to protect the health, safety, and welfare of our tenants, we must respectfully oppose the measure.

As you are aware, in response to two concurrent resolutions passed by the 2009 Legislature, the Auditor issued a Management Audit of the HPHA in June 2011 (Report No. 11-01). This audit reviewed our agency's progress on converting to U.S. Department of Housing and Urban Development (HUD) mandated Asset Management principles. It also looked at the effectiveness of state property managers vs. private contractors in the administration of the state and federal public housing programs. The audit concluded that during the period studied, between 2006 and 2010, the HPHA had significant issues with management and proper oversight of both private and state property managers, and experienced substantial delays in transitioning to asset management.

Since the release of this audit, which comprehensively reviewed repair and maintenance practices, administration of programs, and management and oversight of all of the HPHA's 16 Asset Management Projects (AMPs), executive staff has followed and continues to follow the recommendations made in order to improve service delivery. Under the leadership of a new executive director, HPHA staff has implemented necessary changes to improve all aspects of agency management, including the development of a new AMP Review System and Resident Satisfaction Survey.

Regarding the bill's proposals, a number of the items posed for review by the auditor are not within the control of the management of AMP 35, which includes the Punchbowl Homes property. For example, resident selection is handled by the HPHA Central Office's Applications Services Unit. "Accommodations provided to the elderly," is not clearly defined by the bill, but requests for reasonable accommodations pursuant to state and local fair housing laws are also handled centrally by the HPHA Compliance Office, not AMP management. If the intent of the bill is to provide additional program support to accommodate the unique needs of elderly tenants, our agency would be entirely supportive of any suggestions that might assist, but operating subsidies and rent revenues would be insufficient to support staffing. Further, we are currently in the process of working with the Department of Human Services to locate service workers on site to ease access to existing program support.

Repair and maintenance, as well as oversight and management, of the facility were recently audited in detail by the Auditor in the 2011 Audit Report. As the HPHA noted in its response to the Audit, we recognized a number of concerns which were already in the process of being addressed. Since the release of the Audit, AMP 35 has reduced its outstanding work orders from over 500 to 100. A new AMP Monitoring system has been implemented, whereby the property management branch chief now has limited professional support staff tasked with visiting properties, working with AMP managers, and addressing tenant concerns.

The recently launched "I Have a Dream" Campaign under the new executive director will be addressing all Type A and Type B vacant units at Punchbowl Homes specifically. In addition, the HPHA has requested \$4.6 million in Capital Improvement Program funds in the Executive supplemental budget request to complete a major modernization of the property.

With your assistance, we can continue the great work being done at this and other properties statewide and avoid the detriment to operations involved with audit operations. Finally with the ongoing changes and improvements already taking place, the commencement of an audit July 1 would be counterproductive and unnecessarily burden program administration.

The HPHA appreciates the opportunity to provide the House Committee on Housing with the agency's position regarding H.B. 2084. We respectfully request the Committee to hold this measure, and we thank you very much for your dedicated support.