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HPHA by the Numbers

Total units:	6,195
Unrepaired units:	233
Families on wait list:	9,000+
Wait time:	2-5 yrs

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Management Audit of the Hawai'i Public Housing Authority

Report No. 11-01, June 2011

Tenant welfare can be improved if performance monitoring and asset management are prioritized

Oversight of housing projects erratic

The authority administers 5,331 public housing units in 67 federally-funded buildings and 864 units in 14 state-funded buildings. During FY2007-2010, the authority lacked staff with the resources and time to sufficiently monitor project managers' performance. Oversight for rent collection, federal reporting, and issues affecting tenants' daily lives—such as building conditions, property upkeep, and timely addressing of repair and maintenance problems—was erratic.

Both state- and privately-run housing projects reported backlogs in repair and maintenance. Turnaround on vacant units was slow, adversely impacting families on the waiting list as well as rent collections. As of February 15, 2011, the authority had a total of 233 vacant units that either had pending maintenance work or were available for rent; overall, these units had been vacant an average of six months. With approximately 9,000 families on the waiting list and an average wait time of two to five years, delays in turning around vacant units negatively impacts families waiting for public housing, rent revenues, and overall funding available to the authority.

Turning the ship around

The authority is severely behind schedule in implementing the U.S. Department of Housing and Urban Development-mandated "asset management" system. Despite the directive's issuance in 2005, the authority has yet to reach a first-year implementation level. Asset management is a method of managing public housing projects intended to improve operational efficiency and effectiveness by shifting accountability from the central housing authority to individual housing project managers. The method encourages managers to operate their properties as businesses, monitoring rent revenues and managing related expenditures to accrue capital for long term asset preservation and growth.

The deadline for meeting two of the five components of this model was in 2007; full implementation of all components is required by June 30, 2011. While the authority's executive director is aware the authority cannot realistically meet this deadline, she has begun to determine what is reasonable to implement, assign responsible parties, and develop a plan of action. We cannot comment on the results of her planning effort, but note the contrast with the efforts under the previous executive director, whose tenure ended in March 2010. The new action represents a concerted effort to rectify the substantial lag in implementing the asset management model.

The authority has many challenges ahead. It must improve its monitoring of project managers to ensure tenants' needs are addressed and the State's assets are protected for future users. It must also implement the federally-mandated asset management system model of operation. Any further delays in implementation may put federal funds at risk; for an agency already suffering from backlogs of deferred maintenance and staffing constraints, such a loss would be devastating.

Agency response

The authority did not take issue with our findings. According to the executive director, our findings are compatible with her "to do" list and her action plans will address some of our recommendations. These include a comprehensive operations manual to ensure consistent enforcement of policies. The authority is converting to asset management by improving its budgeting and accounting processes and utilizing the technical assistance plan provided by Econometrica, Inc.