

OVERVIEW

THE AUDITOR
STATE OF HAWAII

Review of the Hawaii Housing Authority's Repair and Maintenance Program

Summary

The Hawaii Housing Authority owns and manages 63 public housing projects that serve families with lower incomes. About 17,000 people live in these facilities, including 3,000 residents who are handicapped, disabled, or over 61 years of age. Most of the housing projects are older developments built before 1971. The authority's repair and maintenance program is intended to keep the housing projects decent, safe, and sanitary. Because maintenance work has been deferred, many facilities need extensive repairs and renovation.

We found that the authority has not systematically inventoried its housing projects. It needs to generate better information on their physical condition in order to plan appropriate levels of funding for repair and maintenance. Among other problems, the inspections are being done without clear standards and often by untrained staff.

The authority has not given enough attention to preventive maintenance--the correcting of deficiencies in a timely manner so as to avoid more costly repairs. For various reasons, it has not carried out many major repairs--work is being put off, available funds have not been spent, and planning is fragmented. Now the authority will need state funds to correct long-standing maintenance problems, but it must first provide the Legislature with better data on its activities.

Recommendations and Response

We recommended that the authority use federal Section 8 standards to identify current repair and maintenance needs. The authority should also use these standards for annual housing inspections until the commission approves new standards. Trained staff should conduct the inspections of units and projects.

The authority's engineering branch and housing management branch should jointly develop a preventive maintenance program for approval by the commission. The authority should also examine why vacancy renovations take so long to complete and take steps to correct the problem.

We also recommended that the authority form a planning group that would produce for commission approval a plan for extraordinary maintenance (major repairs beyond day-to-day upkeep). A database of major repair needs would help the authority plan and budget for major repairs. The authority should tap unrestricted Section 8 funds to help pay for urgently needed work.

The authority should request the resources it needs to carry out its preventive maintenance and extraordinary maintenance programs. Helpful in this effort to obtain general funding would be annual reports to the Legislature on the financial status of the authority's federal housing programs and on its plans and budgets for spending unrestricted funds. The authority should present budgets to the Legislature that clearly distinguish between the two programs in the HMS 220 budget category-- (1) rental housing *augmentation and maintenance* and (2) rental housing *assistance*.

The Hawaii Housing Authority concurred with the recommendations and will work toward accomplishing them. The authority does not agree with the proposed makeup of the planning group, seeing no need for representatives from the commission or the Oahu Tenant Advisory Council.

Background

The statutes established the Hawaii Housing Authority as a public corporation attached for administrative purposes to the Department of Human Services. Its mission is to provide safe and sanitary accommodations and to reconstruct those areas in which unsafe and unsanitary conditions exist. Heading the authority is a commission comprised of the director of human services, the governor's special assistant for housing, and six public members. The commission appoints the authority's executive director.

The authority administers both federal and state programs for families with lower incomes. Its projects range in size from large high-rise developments like Kuhio Park Terrace on Oahu, to smaller single-story developments. The housing projects generate rental revenues, some of which are used by the authority for repair and maintenance. The federal Department of Housing and Urban Development (HUD) provides operating subsidies and grants to modernize the federal housing projects. The state program does not receive federal or state operating subsidies; its housing projects are supposed to generate enough rental revenues to cover the costs of managing, operating, and maintaining them.

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