STAND. COM. REP. NO. 1345

Honolulu, Hawaii

APR 16 2009

RE: S.C.R. No. 31 S.D. 2

Honorable Colleen Hanabusa President of the Senate Twenty-Fifth State Legislature Regular Session of 2009 State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.C.R. No. 31, S.D. 1, entitled:

"SENATE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO CONDUCT A REVIEW OF THE PERFORMANCE OF THE MANAGEMENT OF THE PUUWAI MOMI AND WEST OAHU ASSET MANAGEMENT PROJECTS (KNOWN AS AMP 30 AND AMP 44) TO COMPARE THE PERFORMANCE OF STATE OPERATED AND PRIVATELY OPERATED PUBLIC HOUSING PROPERTIES; AND TO DETERMINE THE RELATIVE CONTRIBUTIONS OF FUNDING LEVELS, MISMANAGEMENT, AND TENANT AND VISITOR ACTIONS TO THE FAILURE TO MEET STANDARDS,"

begs leave to report as follows:

The purpose of this measure is to request the Auditor to conduct a review of the performance of the management of the Puuwai Momi and West Oahu asset management projects.

More specifically, the purpose of the review is to compare the performance of state operated and privately operated public housing properties, and to determine the relative contributions of funding levels, mismanagement, and tenant and visitor actions to the failure to meet performance standards for these properties.

Your Committee finds that there have been long-standing problems relating to the management and maintenance of many of the public housing projects managed by the Hawaii Public Housing Authority. These problems have culminated in federal and state class action lawsuits in December 2008, on behalf of residents at two of the largest and oldest housing projects managed by the

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Hawaii Public Housing Authority. Your Committee further notes that the Hawaii Public Housing Authority is extensively monitored and audited by the federal Department of Housing and Urban Development, which found in 2008 that four asset management projects failed to meet federal requirements for physical conditions of the projects. Of these four projects, two were directly managed and operated by the Hawaii Public Housing Authority, while the other two were managed and operated by privately contracted property managers.

Your Committee believes that a review by the Auditor of the performance of the management of two asset management projects, one directly operated by the Hawaii Public Housing Authority and one operated by a private property management company, to compare the performance of state operated and privately operated projects will be useful in identifying the underlying problems relating to the management of public housing projects. Further, a review and determination of the relative contributions of funding levels, mismanagement, and tenant and visitor actions to the failure of these properties to meet performance standards will assist in formulating solutions to the problems.

Your Committee has amended this measure by making technical changes for purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 31, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 31, S.D. 2.

Respectfully submitted on behalf of the members of the Committee on Ways and Means,

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DONNA MERCADO KIM, Chair

The Senate Twenty-Fifth Legislature State of Hawaii

Record of Votes Committee on Ways and Means WAM

	ee Referral:	Dat 4	te: - B-20	09
The committee is reconsidering i	ts previous de	cision on thi	s measure.	
If so, then the previous decision was	s to:			
The Recommendation is:				, en
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313				
Members	Aye	Aye (WR)	Nay	Excused
KIM, Donna Mercado (C)				
TSUTSUI, Shan S. (VC)			11 (Laŭ 1)	
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani				
FUKUNAGA, Carol				
GALUTERIA, Brickwood				
HEE, Clayton	Salaman Salama - Carl and Balanta Salaman Salaman	1.00 - 27 1.00 MICH. 200 MICH.		
HOOSER, Gary L.				
KIDANI, Michelle N.				
KOKUBUN, Russell S.				
TOKUDA, Jill N.				
HEMMINGS, Fred				
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TOTAL	8			4
Recommendation: Adopted Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes