

Chairman Hill / Ranking Member Waters:

My name is Kerry Wright. I am an owner of Windsor Door, a 3rd generation family-owned business that designs, manufactures and distributes residential and commercial overhead doors. I moved my family to Little Rock from Houston in 2019 to run my company's manufacturing facility here.

I joined the board of the Little Rock Housing Authority in March 2023. I served as chairman from October 2023 to October 2025. I previously served as a commissioner of the Harris County Texas Housing Authority from 2012 through 2018. I was chairman there from 2013 through 2018.

When I came on board the Little Rock Housing Authority, I was stunned by the organization's financial and operational troubles. I want to state my point here clearly: Little Rock Housing Authority's troubles are the result of past mismanagement of its business.

When I got here, the Housing Authority had not kept good books since 2018. The only financial records we had were bank statements. We had so many open bank accounts, no one could tell me how many or where they were.

We had almost no property management records. We did not know who occupied our units, how much rent we were supposed to collect, or how much in HUD subsidies we should be receiving. We were issuing notices to vacate to tenants for not paying rent, but those tenants had proof of payment.

We were paying for two financial accounting systems, but we were not properly using either of them. We were not paying vendors on time, if we paid them at all.

The previous Housing Authority commissioners had set up shop at Central Arkansas Housing Corporation's offices. The commissioners were in in control of the Housing Authority

and CAHC, and they were ordering the executive director and staff, under threat of termination, to engage in illegal acts such as conveying Housing Authority properties to CAHC and transferring Housing Authority funds to CAHC bank accounts.

Their mismanagement resulted in the Housing Authority and CAHC being sued several times. The two largest lawsuits are still pending, with millions of dollars in potential liability outstanding.

HUD's Office of Inspector General came to Little Rock in 2022 and reviewed the Housing Authority's business practices. Their report said they found over a million dollars paid for questionable and unallowable expenses, inadequate documentation of spending, and failure to follow procurement rules.

I am an owner of a large business that operates from 32 locations in 10 states. If I have a location that is failing to perform or to service its customers, I face a hard decision of either closing the location or completely gutting it and cleaning it up. I say this because I found in 2023 that the Housing Authority was failing to perform and failing to service its tenants. It was too far gone to recover on its own. I told our local HUD officials the only way the Housing Authority could recover financially and operationally was for HUD to intervene—to “take it over.” My local HUD office supported me.

Deputy Assistant Secretary Richard Monocchio came to Little Rock to meet with me. I told him, “We cannot fix this. We have no money. We cannot borrow money because we have no business books. We are disorganized. We need HUD to intervene.” I told Monocchio about our problems and mismanagement, and I told him what resources I thought would be required to make the agency solvent again.

I thought I had a deal with Monocchio and HUD. I read in January 2024 that Secretary Fudge appeared before this committee and made “a personal commitment to take responsibility for the Housing Authority’s situation and to commit resources to resolve the agency’s long-standing issues.” Those were empty promises. My understanding is that Monocchio and Secretary Fudge scuttled my deal. Secretary Fudge resigned from HUD in March 2024. Ironically, Fudge came to Little Rock last January and was awarded the key to the city by the mayor.

The Housing Authority is in no better condition today than it was over two years ago. We are still defending lawsuits over bad deals the previous board made. Madison Heights is still in foreclosure. Because we have not been current on our voucher certifications for years, we have lost a lot of revenue. We still do not have up-to-date audited financials. I believe we are in troubled status again. HUD released our latest PHAS score on February 27th. It is a 53. Any housing authority with a score below 60 HUD classifies as troubled.

This last fact is important because our agreement with Southern Bank for the Madison Heights “rescue loan” requires that we stay out of troubled status with HUD. So, we will be default of our “rescue loan” agreement on the date we close, which is currently set for next Monday, March 16th.

I will close with my point I stated in the beginning. If there is a solution to be found for the Housing Authority’s problems, it will come from putting in place and maintaining good business and financial management practices, not by playing politics with the agency. The previous HUD administration failed us. The current HUD administration should take over the Little Rock Housing Authority and clean it up once and for all.