

FEB 17 2006

S.C.R. NO. 18

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# SENATE CONCURRENT RESOLUTION

REQUESTING A FINANCIAL AND MANAGEMENT AUDIT OF THE CAPITAL FUND  
PROGRAM ADMINISTERED BY THE HOUSING AND COMMUNITY  
DEVELOPMENT CORPORATION OF HAWAII.

1           WHEREAS, the United States Department of Housing and Urban  
2 Development provides federal grants to state public housing  
3 agencies as part of the Capital Fund Program authorized by Title  
4 I of the United States Housing Authority Act of 1937, as  
5 amended, 42 U.S.C. 1437 et seq.; and  
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7           WHEREAS, these federal grants are awarded to state public  
8 housing agencies for the development, financing, and  
9 modernization of public housing projects, vacancy reduction, and  
10 management improvements; and  
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12           WHEREAS, HRS §201G-15 charges the Housing and Community  
13 Development Corporation of Hawaii (HCDCH) with the  
14 responsibility of managing and investing such funds to implement  
15 federal housing programs; and  
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17           WHEREAS, a recent report noted that 760 units remain vacant  
18 in federally funded public housing complexes in Hawaii; now,  
19 therefore,  
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21           BE IT RESOLVED by the Senate of the Twenty-third  
22 Legislature of the State of Hawaii, Regular Session of 2006, the  
23 House of Representatives concurring, that the Auditor is  
24 requested to perform a financial and management audit of the  
25 HCDCH's administration of funds received from the federal  
26 government pursuant to the Capital Fund Program; and  
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28           BE IT FURTHER RESOLVED that the Auditor is requested to  
29 include in its financial and management audit:  
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31           (1) An evaluation whether HCDCH spends the funds available  
32 to it in an efficient and cost-effective manner to reduce the



1 vacancy rate in federally funded public housing projects in a  
2 timely manner; and

3  
4 (2) An assessment and accounting of any actual or  
5 potential shortfall in the Capital Fund Program due to cost  
6 overruns in the Kalihi Valley Housing Phase 2 renovation  
7 project; and

8  
9 BE IT FURTHER RESOLVED that the Auditor is requested to  
10 submit a report of its findings to the Legislature not later  
11 than twenty days prior to the convening of the Regular Session  
12 of 2007; and

13  
14 BE IT FURTHER RESOLVED that certified copies of this  
15 Concurrent Resolution be transmitted to the Governor, the  
16 Auditor, and the Executive Director and the Chairperson of the  
17 Board of Directors of the Housing and Community Development  
18 Corporation of Hawaii.

OFFERED BY:

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21  
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