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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 (HUD) provides federal grants to state public  
3 housing agencies as part of the Capital Fund Program authorized  
4 by Title I of the United States Housing Authority Act of 1937,  
5 as 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, sections 201G-15 and 201G-15.5 and part II,  
13 chapter 201G, charge the Housing and Community Development  
14 Corporation of Hawaii (HCDCH) with the responsibility of  
15 managing and investing such funds to implement federal housing  
16 programs; and

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18           WHEREAS, the report of the Joint Legislative Housing and  
19 Homeless Task Force noted that 750 units remain vacant in  
20 federally funded public housing complexes in Hawaii; now,  
21 therefore,

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23           BE IT RESOLVED by the Senate of the Twenty-third  
24 Legislature of the State of Hawaii, Regular Session of 2006, the  
25 House of Representatives concurring, that commencing after  
26 January 31, 2007, the Auditor is requested to perform a  
27 financial and management audit of the administration by the  
28 Housing and Community Development Corporation of Hawaii (to be  
29 known as the Hawaii Public Housing Administration on  
30 July 1, 2006) of funds received from the federal government  
31 pursuant to the Capital Fund Program; and  
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1 BE IT FURTHER RESOLVED that the Auditor is requested to  
2 include in its financial and management audit:

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4 (1) An evaluation whether HCDCH spends the funds available  
5 to it in an efficient and cost-effective manner to  
6 reduce the vacancy rate in federally funded public  
7 housing projects in a timely manner; and

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9 (2) An assessment and accounting of any actual or  
10 potential shortfall in the Capital Fund Program due to  
11 cost overruns in the Kalihi Valley Housing Phase 2  
12 renovation project; and

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14 BE IT FURTHER RESOLVED that the Auditor is requested to  
15 submit a report of its findings to the Legislature not later  
16 than twenty days prior to the convening of the Regular Session  
17 of 2008; and

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19 BE IT FURTHER RESOLVED that certified copies of this  
20 Concurrent Resolution be transmitted to the Governor, the  
21 Auditor, and the Executive Director and the Chairman of the  
22 Board of Directors of the Housing and Community Development  
23 Corporation of Hawaii.

