

LINDA LINGLE
GOVERNOR



STEPHANIE AVEIRO
EXECUTIVE DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII
677 QUEEN STREET, SUITE 300
Honolulu, Hawaii 96813
FAX: (808) 587-0600

PAMELA Y. DODSON
EXECUTIVE ASSISTANT

IN REPLY REFER TO

ADMINISTRATIVE MEMORANDUM

PROJECTS NO. 3
January 13, 2005

To: All Branches, Sections, Units and Support Offices

From: Stephanie Aveiro
Executive Director

Subject: RENT COLLECTION POLICY AND PROCEDURES

I. POLICY

The Housing and Community Development Corporation of Hawaii (HCDCH) has adopted this rent collection policy and it applies to all Tenants. It addresses the manner in which Tenants must pay their monthly rent and the consequences of late payment or non-payment. HCDCH is committed to enforcing this Policy in an equitable and non-discriminatory manner.

All payments must be made at an authorized bank and are due on the first (1st) day of the month and is payable on or before the seventh (7th) business day of the month. Timely notification of non-payment or late payment of rent is critical to managing aging account receivables. Enforcement of the rental agreement and timely write-offs are necessary.

II. PROCEDURES

HCDCH's rent collection policy stipulates that all payments, regardless of the type of charges, are to be made at an authorized bank. Management unit (MU) staff should not collect any payments at the management offices with the exception of payments made via check by agencies, churches, etc., in behalf of tenants.

During the leasing interview, the tenant is informed of the authorized bank that will accept payments to HCDCH's account for their respective project. The tenant is shown an example of the billing and informed that he/she must present the monthly billing with his/her payment. The bank will not accept payments without the billing (or a counter receipt).

III. COUNTER RECEIPTS

Determine whether or not a counter receipt should be issued. Counter receipts or deposit slips should only be given when:

- The tenant fails to receive a monthly billing
- The monthly billing has been lost
- The tenant has previously entered into a Rental Payment Arrangement
- There is a new tenant
- Vacated tenants are making payments

If a counter receipt must be issued, fill in the following information on the counter receipt:

- The project's name
- The tenant's name and account number
- The amount to be deposited
- The date of the receipt

Give the tenant the counter receipt and tell him to make his payment at the authorized bank.

IV. COLLECTING ON RETURNED CHECKS

Upon notification from an authorized bank that a check is not being honored due to insufficient funds (NSF) or the account being closed, the Accounting Staff will post the NSF adjustment to the tenant's ledger in EmPHAsys. The tenant ledger will reflect the original receipt, as well as the NSF adjustment resulting in the correct rent receivable balance. Accounting will also post the adjustment to the general ledger to reflect the correct tenant account receivable balance. The NSF check will be forwarded to the MU Manager. Upon receipt of the NSF check, the Manager will inform the tenant of the NSF check and follow the procedures as outlined for non-payment of rent.

V. NON-PAYMENT OF RENT

On or about the 15th of each month, management units will identify accounts that are delinquent. If the 15th is a weekend or holiday, the following business day will be the cut off. Management will notify the tenant of the default in writing and shall allow the tenant fourteen (14) calendar days to pay the rent amount due.

Management will also attempt to contact the tenant and assist in resolving the issue. Tenant may be referred to a non-profit agency for assistance or may enter into a payment agreement to pay the delinquent amount.

Management shall proceed with proposed termination of the rental agreement if there is a history of chronic violations of non-payment of rent (chronic is defined as 3 notices of violation issued to the tenant within any twelve (12) month period) without affording the tenant time to cure.

VI. WAIVER OF EVICTION ACTION

It is important that HCDCH adhere to its policy of referring a tenant for eviction when a tenant has not cleared their delinquent balance by the date indicated in the Notice of Violation letter sent by management. On occasion, there may be a valid reason that a tenant might not be referred for eviction, such as:

- HCDCH administrative error
- Pending interim resulting in a decrease in rent for that month
- Non-profit agency will be paying the rent and this is verified by the agency
- Tenant could not pay directly related to a handicap or disability
- Tenant had initiated paperwork for a Minimum Rent Waiver

Reasons that are not acceptable include but are not limited to the following:

- Loss of job the month the rent is owing
- Lost their money
- Health-related accident that occurred months ago
- Last minute pleas of how hard they are trying to pay their rent
- Disagrees with the rent amount (refer them to the grievance procedures)
- Claims they are behind on paying other household bills and don't have enough money to pay rent
- Claims their payday is the same day as cutoff, or right after cutoff, and needs an extra day or two to get the rent
- Withholding rent because management is not responding to their complaints (refer them to the grievance procedures)

VII. VACATED TENANTS

When a tenant vacates a unit, conduct a final inspection, preferably with the tenant there and calculate the final bill. Close out the tenant in EmPHAsys. Within fourteen (14) days of a lease termination date, management will notify the vacated tenant in writing at their forwarding address or last known address of any balance due. This will include a bill for collection and a breakdown of charges to be paid within ten (10) days. After ten (10) days, if the rent or any amount due is not paid, management will send a 2nd bill for collection to be paid within ten (10) calendar days. If payment is not made in ten (10) calendar days

management will employ a collector and/or attorney to collect the total amount due.

The collector and/or attorney shall be contacted every 30 days to obtain a status report on each account that has been referred. After ninety (90) days the collector and/or attorney should confirm in writing that the tenant cannot be found and the account is deemed uncollectible or that further efforts are futile. This will validate the submittal to obtain approval to write the debt off.

VIII. WRITE OFF PROCEDURES

All requests for write-off approval of amounts in excess of \$500 shall be submitted on the form for accounts over \$500. If the amount is under \$500 use the short form for write off. All information must be completed before submitting to Property Management and Maintenance Branch (PMMB) for review and processing.

PMMB will forward the request for write-off approval to the Attorney General's Office. Once approval is received the Accounting Office will proceed to write-off the approved amount.

DEPARTMENT OF HUMAN SERVICES

Amendment and Compilation of Chapter 17-2021
Hawaii Administrative Rules
October 3, 2011

SUMMARY

1. Title amended.
2. §§17-2021-1 to 17-2021-4 are amended.
3. §§17-2021-11 to 17-2021-14 are amended.
4. §§17-2021-20 to 17-2021-21 are amended.
5. §17-2021-30 is amended.
6. §§17-2021-33 to 17-2021-34 are amended.
7. Chapter 2021 is compiled.

HAWAII ADMINISTRATIVE RULES

TITLE 17

DEPARTMENT OF HUMAN SERVICES

SUBTITLE 5

HAWAII PUBLIC HOUSING AUTHORITY

CHAPTER 2021

GRIEVANCE PROCEDURE

Subchapter 1 General Provisions

- §17-2021-01 Purpose
- §17-2021-02 Applicability
- §17-2021-03 Definitions
- §17-2021-04 Termination of rental agreement based
on Public Law 104-120

Subchapter 2 Pre-hearing Procedure

- §17-2021-10 Informal settlement of grievances
- §17-2021-11 Request for hearing
- §17-2021-12 Selection of hearing officer
- §17-2021-13 Escrow deposit
- §17-2021-14 Scheduling of hearings

Subchapter 3 Hearing Procedure

- §17-2021-20 Procedures governing the hearing
- §17-2021-21 Decision of the hearing officer

Subchapter 4 Expedited Grievance Procedure

- §17-2021-30 Applicability
- §17-2021-31 Request for hearing - expedited grievance
- §17-2021-32 Selection of hearing officer - expedited grievance
- §17-2021-33 Failure to request a hearing - expedited grievance
- §17-2021-34 Scheduling of hearings - expedited grievance
- §17-2021-35 Decision of the hearing officer - expedited grievance

Historical Note: Chapter 17-2021, Hawaii Administrative Rules, is based substantially upon chapter 17-2021, Hawaii Administrative Rules, [Eff 8/5/05; am and comp JUN 14 2012], chapter 17-502, Hawaii Administrative Rules, [Eff 1/1/81; am and comp 5/26/98; R Oct 25 1999], and chapter 15-183, Hawaii Administrative Rules, [Eff 02/25/02; R Aug 05 2005]

SUBCHAPTER 1

GENERAL PROVISIONS

§17-2021-1 Purpose. These rules shall govern the practice and procedure for hearing a grievance presented by a tenant of a federally-assisted public housing project to the Hawaii public housing

authority. [Eff 8/5/05; am and comp JUN 14 2012]
(Auth: 24 CFR §966.52, HRS §356D-4) (Imp: 24 CFR
§966.50, HRS §356D-4)

§17-2021-2 Applicability. (a) The grievance procedure shall be applicable to all individual grievances as defined in section 17-2021-3 between the tenant of the federally-assisted public housing projects and the authority.

(b) The grievance procedure shall not be applicable to disputes between tenants not involving the authority, or class grievances. This procedure shall not be used as a forum for initiating or negotiating policy changes between tenants and the authority.

(c) All grievances involving an act or omission of the authority relating to a rental agreement shall be commenced within ten business days of such act or omission.

(d) All grievances involving the authority's rules shall be commenced within ten business days of an act or omission based on such rule.

(e) The failure to timely request such a hearing within the prescribed limits shall preclude any request for a grievance hearing from occurring unless waived in writing by the authority.

(f) The grievance procedure shall not apply to state public housing projects, which include the projects of Hauiki, Puahala, Lokahi, Kawailehua (State), Ka Hale Mua (State), Ke Kumu Elua, Hale Po'ai, Halia Hale, Kamalu, Ho'olulu, and Lai'ola.

(g) The grievance procedure shall not apply to any decision and order of eviction made pursuant to chapter 17-2020.

(h) If there is a conflict between subsection (f) and any other rule, subsection (f) shall control.

(i) If there is a conflict between subsection (g) and any other rule, subsection (g) shall control.
[Eff 8/5/05; am and comp JUN 14 2012] (Auth: 24
CFR §966.52; HRS §§356D-4, 356D-16) (Imp: 24 CFR
§966.51; HRS §356D-4)

§17-2021-3 Definitions. Whenever used in this chapter, unless specifically defined:

"Authority" means the Hawaii public housing authority.

"Complainant" means any tenant whose grievance is presented to the corporation or at the project management office.

"Drug-related criminal activity" means the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, or use the drug.

"Federally-assisted public housing project" means a low-income federally assisted public housing project as established by the United States Housing Act of 1937, as amended.

"Grievance" means any dispute which a tenant may have with respect to the authority's action or failure to act in accordance with the individual tenant's rental agreement or the authority's rules which adversely affect the individual tenant's rights, duties, welfare, or status.

"Hearing officer" means a person selected in accordance with sections 17-2021-12 and 17-2021-32 to hear grievances and render a decision with respect thereto.

"Tenant" means the lessee or the remaining head of household of any family residing in the authority's federally-assisted public housing projects. [Eff 8/5/05; am and comp JUN 14 2012] (Auth: 24 CFR §966.52; HRS §§356D-4, 356D-16) (Imp: 24 CFR §966.53; HRS §§356D-4, 356D-44(c), 521)

§17-2021-4 Termination of rental agreement based on Public Law 104-120. The authority may also terminate a rental agreement pursuant to 42 U.S.C. §1437 as it existed on October 3, 2011. [Eff 8/5/05; am and comp JUN 14 2012] (Auth: 42 USC §1437; Pub. L. 104-120; HRS §§356D-4, 356D-16, 356D-98) (Imp: HRS §356D-92)

SUBCHAPTER 2

PRE-HEARING PROCEDURE

§17-2021-10 Informal settlement of grievances.

(a) Any grievance shall be personally presented, either orally or in writing, to the project office of the project in which the complainant resides as a condition precedent to a hearing under this chapter. At the time of the personal presentation, the complainant must explicitly notify the project office that the tenant is invoking the grievance procedure. If the project office and tenant agree to a resolution in writing, the grievance shall be terminated.

(b) If the matter is not informally resolved as provided in subsection (a), a summary of such discussion shall be prepared within five business days and one copy shall be given to the tenant. The summary shall specify the names of the participants, dates of meeting, the nature of the proposed disposition of the complaint and the specific reasons therefor, and shall specify the procedures by which a hearing under this chapter may be obtained if the complainant is not satisfied. [Eff 8/5/05; am and comp JUN 14 2012] (Auth: 24 CFR §966.52; HRS §356D-4) (Imp: 24 CFR §966.54; HRS §356D-4)

§17-2021-11 Request for hearing. (a) The complainant shall submit a written request for a hearing to the authority's project office within ten business days after receipt of the summary of discussion pursuant to section 17-2021-10. The written request shall specify:

- (1) The reasons for the grievance; and
- (2) The action or relief sought.

(b) If the complainant does not request a hearing in accordance with subsection (a), the authority's disposition of the grievance following the informal settlement shall become final. Failure to

request a hearing shall not constitute a waiver by the complainant of the complainant's right thereafter to contest the authority's action in disposing of the complaint in an appropriate judicial proceeding.

(c) If the complainant shows good cause for failing to proceed in accordance with the informal procedure to the hearing officer the provision of subsection (a) may be waived by the hearing officer in writing with reasons given. If the authority and tenant agree to a resolution in writing, the grievance shall be terminated. [Eff 8/5/05; am and comp JUN 14 2012] (Auth: 24 CFR §966.52; HRS §356D-4) (Imp: 24 CFR §966.55; HRS §356D-4)

§17-2021-12 Selection of hearing officer.

(a) A grievance hearing shall be conducted by an impartial person or persons appointed by the authority after consultation with resident organizations, as described below:

- (1) The authority and resident organizations shall nominate a slate of impartial persons to sit as hearing officers. Such persons may include authority board members, authority staff members, tenants in compliance with the lease agreement, professional arbitrators or mediators, or others. The initial slate of nominees shall consist of not more than twenty persons, of whom at least two shall be from each county.
- (2) The authority will check with each nominee to determine whether there is an interest in serving as a hearing officer, whether the nominee feels fully capable of impartiality, whether the nominee can serve without compensation, and what limitations on the nominee's time would affect such service.
- (3) Nominees who are not interested in serving as hearing officers or whose time is too limited to make service practical will be withdrawn and other names will be

substituted.

(b) The slate of potential hearing officers shall be submitted to the resident organizations. Written comments from the organizations shall be considered by the authority.

(c) The authority shall appoint the final list of nominees as hearing officers. The final list of hearing officers shall be provided to the resident organizations. The authority shall contact the hearing officers in random order to request their participation as hearing officers.

(d) After the hearing officer is selected, said hearing officer shall promptly inform the authority in the event that there may be a conflict of interest issue. The hearing officer shall be disqualified if the conflict raised prevents them from serving impartially.

(e) "Conflict of interest" or "conflict" includes the following:

- (1) The hearing officer is related by blood or marriage to the complainant;
- (2) The hearing officer has a documented history of personal conflict with the complainant or the authority; or
- (3) The hearing officer has some personal or financial interest in common with the complainant or the authority.

(f) The authority shall review the list of hearing officers annually to determine whether new nominees are required. New nominees shall be selected in accordance with section 17-2021-12(a)(1).

[Eff 8/5/05; am and comp JUN 14 2012] (Auth: 24 CFR §966.52, §966.55; HRS §356D-4) (Imp: 24 CFR §966.55; HRS §356D-4)

§17-2021-13 Escrow deposit. (a) Concurrent with filing a request for hearing pursuant to section 17-2021-11, and before a hearing is scheduled in any grievance, the complainant shall pay to the authority the full amount of rent due and payable as of the first of the month and the full amount of rent for the current month. The complainant shall thereafter make a timely deposit of the amount of the monthly rent monthly to the authority until the complaint is resolved by decision of the hearing officer. If the dispute involves the amount of rent which the authority claims is due, the complainant shall specify what portion of the current rent is in dispute and the reasons therefor. The authority shall hold the rent amount in dispute until the disposition of the grievance is final.

(b) The requirements in subsection (a) may be waived by the authority for good cause shown by the tenant to the authority, and unless so waived, the failure to make the payments shall result in a termination of the grievance procedure, provided that failure to make the payments shall not constitute a waiver of any right the complainant may have to contest the authority's disposition of the complainant's grievance in any appropriate judicial proceeding. Such waivers shall be in writing with reasons therefore given. [Eff 8/5/05; am and comp JUN 14 2012] (Auth: 24 CFR §966.52; HRS §356D-4) (Imp: 24 CFR §966.55; HRS §356D-4)

§17-2021-14 Scheduling of hearings. Upon complainant's compliance with sections 17-2021-11 and 17-2021-13, and selection of a hearing officer pursuant to section 17-2021-12, a hearing shall be scheduled promptly by the hearing officer for a time and place reasonably convenient to both the complainant and the authority. A written notification specifying the time, place, and procedures governing the hearing shall be delivered to the complainant and the appropriate official of the authority. [Eff 8/5/05; am and comp JUN 14 2012] (Auth: 24 CFR

§966.52; HRS §356D-4) (Imp: 24 CFR §966.55; HRS §356D-4)

SUBCHAPTER 3

HEARING PROCEDURE

§17-2021-20 Procedures governing the hearing.

(a) The hearing shall be held before a hearing officer.

(b) The complainant shall be afforded a fair hearing providing the basic safeguards of due process which shall include:

- (1) The opportunity to examine before the hearing and, at the expense of the complainant, to copy all documents, records, and rules of the authority that are relevant to the hearing. Any document not made available after request with reasonable notice by the complainant may not be relied on by the authority at the hearing;
- (2) The right to be represented by counsel or other person chosen as the complainant's representative;
- (3) The right to a private hearing unless the complainant requests a public hearing;
- (4) The right to present evidence and arguments in support of the complaint, to controvert evidence relied on by project management, and to confront and cross-examine all witnesses on whose testimony or information the project management relies; and
- (5) A decision based solely and exclusively upon the facts presented at the hearing.

(c) The hearing officer may render a decision without proceeding with the hearing if the hearing officer determines that the issue has been previously decided in another proceeding.

(d) If the complainant or the authority fails to appear at the hearing, the hearing officer may make a

determination to postpone the hearing for a period not to exceed five business days or may make a determination that the party has waived the party's right to a hearing. Both the complainant and the authority shall be notified of the determination by the hearing officer, provided that a determination that the complainant has waived the complainant's right to a hearing shall not constitute a waiver of any right the complainant may have to contest the authority's disposition of the grievance in an appropriate judicial proceeding.

(e) The complainant must first show that the complainant is entitled to the relief sought and thereafter the authority must sustain the burden of justifying the authority's action or failure to act against which the complaint is directed.

(f) The hearing shall be conducted informally by the hearing officer and oral or documentary evidence pertinent to the facts and issues raised by the complaint may be received without regard to admissibility under the rules of evidence applicable to judicial proceedings. The hearing officer shall require the authority, the complainant, counsel, and other participants or spectators to conduct themselves in orderly fashion. Failure to comply with the directions of the hearing officer to obtain order may result in exclusion from the proceedings or in a decision adverse to the interests of the disorderly party and granting or denial of the relief sought, as appropriate.

(g) The complainant or the authority may arrange, in advance and at the expense of the party making the arrangement, for a transcript of the hearing. Any interested party may purchase a copy of the transcript. [Eff 8/5/05; am and comp JUN 14 2012] (Auth: 24 CFR §966.52; HRS §356D-4) (Imp: 24 CFR §966.56; HRS §356D-4)

§17-2021-21 Decision of the hearing officer.

(a) The hearing officer shall prepare a written decision, together with the reasons therefor, within ten business days after the hearing. A copy of the decision shall be sent to the complainant and the authority. A copy of the decision with all names and identifying references deleted, shall also be maintained on file by the authority and made available for inspection by a prospective complainant, the complainant's representative, or the hearing officer.

(b) The decision of the hearing officer shall be binding on the authority which shall take all actions or refrain from any action, necessary to carry out the decision unless the authority determines within ten business days of the written decision and promptly notifies the complainant of its determination, that:

(1) The grievance does not concern the authority's action or failure to act in accordance with or involving the complainant's rental agreement or the authority's rules, which adversely affect the complainant's rights, duties, welfare, or status; or

(2) The decision of the hearing officer is contrary to applicable federal, state, or local law, Department of Housing and Urban Development regulations, or requirements of the annual contributions contract between Department of Housing and Urban Development and the authority.

(c) A decision by the hearing officer or authority in favor of the authority or which denies relief requested by the complainant in whole or in part shall not constitute a waiver of, nor affect in any manner whatever, any rights the complainant may have to an administrative proceeding or judicial review in judicial proceedings, which may thereafter be brought in the matter.

(d) If the complainant has requested a hearing on a complaint involving the authority's notice of proposed termination of the tenancy and the hearing officer upholds the authority's action to terminate the tenancy, the authority shall not commence a new eviction proceeding until it has served a notice to vacate on the complainant. In no event shall the notice to vacate be issued prior to the decision of the hearing officer having been mailed or delivered to the complainant. The notice to vacate shall be in writing and shall specify that if the complainant fails to quit the premises within the applicable statutory period, or on the termination date stated in the notice of termination, whichever is later, appropriate action will be brought against the complainant and the complainant may be required to pay court cost and attorney fees. Unless so determined in the hearing, this section (d) shall not affect the validity and effectiveness of an existing eviction proceeding, notice of proposed termination, notice to vacate, and other notices served on the complainant by the authority prior to the complainant's actual submission of a written request for hearing pursuant to section 17-2021-11. [Eff 8/5/05; am and comp JUN 14 2012] (Auth: 24 CFR §966.52; HRS §356D-4) (Imp: 24 CFR §966.57; HRS §§356D-4, 356D-96, 356D-97; section (d) added pursuant to TILEIA v. CHANG, Civ. No. 79-0107)

SUBCHAPTER 4

EXPEDITED GRIEVANCE PROCEDURES

§17-2021-30 Applicability. (a) The expedited grievance procedure is established for any grievance concerning a proposed termination of tenancy that involves:

- (1) Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the authority's public housing

premises by other residents or employees of the authority, or

- (2) Any drug-related criminal activity on or near such premises.

(b) The informal settlement of grievances pursuant to section 17-2021-10 is not applicable under the expedited grievance procedure. [Eff 8/5/05; am and comp JUN 14 2012] (Auth: 24 C.F.R. §966.52; HRS §356D-4) (Imp: 24 C.F.R. §966.55; HRS §356D-4)

§17-2021-31 Request for hearing - expedited grievance. The complainant shall submit a written request for grievance hearing to the project office within five business days from the date of the written notice of violation from management. The written request shall specify:

- (1) The reasons for the grievance; and
- (2) The action or relief sought.

[Eff 8/5/05; am and comp JUN 14 2012] (Auth: 24 C.F.R. §966.52; HRS §356D-4) (Imp: 24 C.F.R. §966.55; HRS §356D-4)

§17-2021-32 Selection of hearing officer - expedited grievance. The hearing officer shall be selected as described in section 17-2021-12. [Eff 8/5/05; am and comp JUN 14 2012] (Auth: 24 C.F.R. §966.52; HRS §356D-4) (Imp: 24 C.F.R. §966.55; HRS §356D-4)

§17-2021-33 Failure to request a hearing - expedited grievance. If the complainant does not request a grievance hearing as set forth under this expedited grievance procedure, then the authority's disposition of the grievance shall become final, provided that failure to request a grievance hearing shall not constitute a waiver of the complainant's right to contest the authority's disposition of the grievance in a court of competent jurisdiction. [Eff 8/5/05; am and comp JUN 14 2012] (Auth: 24

C.F.R. §966.52; HRS §356D-4) (Imp: 24 C.F.R.
§966.55; HRS §356D-4)

§17-2021-34 Scheduling of hearings - expedited grievance. Once the complainant has requested a grievance hearing under this section, the hearing officer shall promptly schedule a hearing for a time and place reasonably convenient to both the complainant and the authority. A written notification specifying the time, place, and procedures governing the hearing shall be delivered to the complainant and the authority.

[Eff 8/5/05; am and comp JUN 14 2012] (Auth: 24
C.F.R. §966.52; HRS §356D-4) (Imp: 24 C.F.R.
§966.55; HRS §356D-4)

§17-2021-35 Decision of the hearing officer - expedited grievance. The decision of the hearing officer shall be in accordance with section 17-2021-21." [Eff 8/5/05; am and comp JUN 14 2012] (Auth:
24 C.F.R. §966.52; HRS §356D-4) (Imp: 24 C.F.R.
§966.55; HRS §356D-4)

Amendments to and compilation of chapter 2021, title 17, Hawaii Administrative Rules, on the Summary Page dated October 3, 2011 were adopted on April 19, 2012 after public notice was given in the Honolulu Star-Advertiser, the Maui news, the Garden Island News, West Hawaii Today, and the Hawaii Tribune Herald on February 10, 2012.

They shall take effect ten days after filing with the Office of the Lieutenant Governor.

DAVID J. GIERLACH, Chairperson
Board of Directors
Hawaii Public Housing Authority

NEIL ABERCROMBIE
Governor
State of Hawaii

Dated: 6.2.12

Filed

'12 JUN -4 P2:10

LEAH ANN GOSWAMI
OFFICE

APPROVED AS TO FORM:

Deputy Attorney General

HCDCH4110(08/2003) State

RENTAL AGREEMENT

THIS RENTAL AGREEMENT, made and entered into this _____ day of _____, 20____, by and between the Housing and Community Development Corporation of Hawaii, a public body and a body corporate and politic of the State of Hawaii, hereinafter referred to as "Management", and _____, hereinafter referred to as "Tenant", WITNESSETH THAT:

Management rents to Tenant the dwelling unit described below for the term, at the rental, and under the covenants and conditions stated herein.

1. DESCRIPTION OF THE DWELLING UNIT:

Address: _____, being a _____ bedroom unit in Building No. _____

2. TERM AND RENTAL: The term of this Rental Agreement is for 12 months effective _____ (occupancy date) to _____.

The monthly rent effective _____ is \$ _____ and shall be due and payable in advance on the first day of each calendar month. This Rental Agreement shall be renewed annually thereafter. This monthly rent will remain in effect unless it is changed as provided in Paragraph 6 below or this Agreement is terminated. If the tenancy ends on a date other than the last day of a month, the rent shall be prorated to the last day of the tenancy. In addition to the monthly rent as specified, payment shall include amount of utility charges based on the current rate charged by Management for gas and/or electricity for utility consumption in excess of the allowances provided in Paragraph 10 (g) and other incurred charges. There shall be allowed a grace period of seven (7) business days for payments due. A Tenant receiving welfare financial benefits authorizes Management to draw monthly rental payments directly from Tenant's EBT or bank account upon thirty (30) days written notice to Tenant.

3. SECURITY DEPOSIT: Security Deposit to be paid by Tenant shall be \$150.00 or one month's rent whichever is lower. The Security Deposit has not been paid or received as rental and shall not be treated by Tenant as a payment of or offset against rental. The Security Deposit shall be returned if Tenant performs in accordance with this Rental Agreement and surrenders the dwelling unit and all keys thereto and pays for all damages at the expiration of this Rental Agreement. If Tenant shall default in the performance of Tenant's covenants including the payment of rent, then and without waiving any other remedies available to Management, the Security Deposit shall be applied toward satisfaction of the rent, damages, including loss or removal of property, cleaning of the premises and the restoration of the premises due to damage caused by the Tenant. Any refund under this Paragraph should be made to Tenant within fourteen (14) days after the termination of this Rental Agreement. Security Deposit is determined and paid at initial occupancy of Tenant and shall remain the same throughout occupancy.**4. USE AND OCCUPANCY:** Tenant shall have the right to exclusive use and occupancy of the dwelling unit subject to the following:

(a) Limited Occupancy: Occupancy shall be restricted to the Tenant and the members of the Tenant's household who are listed on the Tenant's most current household composition declaration form(s) as used by Management as updated to show changes in the Tenant's household.

(b) Guests and Visitors:

(1) Tenant may accommodate Tenant's guests and visitors without prior written Management consent on a limited basis not to exceed one (1) night. For periods exceeding one (1) night, prior written Management consent is required.

(2) Tenant shall be fully responsible for the conduct of Tenant's guests and visitors while they are on the Project premises.

(c) Tenant's failure to obtain prior consent of Management as required by this Section for use and occupancy of dwelling unit may result in termination of this Agreement.

5. ELECTRICITY, GAS, AND WATER:

(a) For Management-furnished utilities, Management shall pay for and furnish to Tenant water, gas and electricity in accordance with the applicable schedule of utility allowances. For Tenant-purchased utilities, Management shall provide an allowance in dollars for water, gas and electricity in accordance with the applicable schedules. Said schedules shall be posted in the Project Office (See Paragraph 10 (g)).

(b) Management shall charge Tenant for the consumption of excess gas and electricity as provided in the schedule of utility allowances and charges for excess utilities as posted in the Project Office. These charges shall be due and collectible the month in which the charge is made. Management shall accept rental payments without regard to such charges owed by Tenant if Tenant has filed or has the right to file a grievance under Management's Grievance Procedure.

6. ELIGIBILITY REEXAMINATIONS AND RENTAL ADJUSTMENTS:

(a) Eligibility Reexaminations. Tenant shall participate in reexaminations in accordance with Rules and Regulations available in the Project Office. Management will notify Tenant when a reexamination of the family income and composition is required to verify eligibility, dwelling size and rent to be paid. Reexaminations initiated by Management will normally occur annually but they may be scheduled earlier or later depending upon special circumstances described in the Rules. Immediately following completion of the reexamination, Tenant will be provided written notification concerning Tenant eligibility status and any change to be made in the rent or size of the unit occupied.

(b) Interim Re-determination of Rent.

(1) At any time between required reexaminations, Tenant may initiate a re-determination of rent when there is a change in Tenant family circumstances (such as a decrease in income) which will decrease Tenant annual income for rent as described in the schedule of rents available in the Project Office. In the event rent is decreased in accordance with this provision, Tenant agrees to report any change in Tenant family circumstances which occurs prior to the next regular reexamination which will increase Tenant annual income and rent will be appropriately adjusted. Tenant shall report all changes within ten (10) business days.

(2) At any time between required reexaminations, Management may initiate a re-determination of rent to correct errors or to investigate alleged undercharging because Tenant has submitted false information or has withheld valuable information or has made willful misstatements.

(c) Effective Date of Rent Adjustments.

(1) Whenever there is a change in the monthly rent, Management will deliver or mail to Tenant, a written notice reflecting change.

(2) Rent adjustments resulting from Management initiated reexaminations in Paragraph 6 (a) above will be effective the first of the month of the established reexamination date.

(3) Interim decreases in rent resulting from a re-determination as provided in Paragraph 6 (b) above will be effective the first of the month following the month in which a change which justifies a decrease is reported to Management. Decreases will be made retroactive only to correct an error.

- (4) Interim increases resulting from a re-determination under Paragraph 6 (b) above will be effective the first of the second month following the month in which the change occurs. Retroactive rent increases will be made in case of failure to report changes which would have resulted in rent increases as agreed in Paragraph 6 (b) (1). Retroactive increases may also be made if Tenant has been undercharged due to an error or misrepresentation on the part of Tenant or any occupant of the dwelling unit.
- (5) When Management re-determines the amount of rent payable by the Tenant or determines that the Tenant must transfer to another unit based on family composition, Management shall notify the Tenant of Management's specific grounds of the determination and if Tenant does not agree with the determination, Tenant has the right to request a hearing under the Grievance Procedure.
7. **MANAGEMENT'S OBLIGATIONS:** Management agrees to supply and maintain fit premises. Management shall, at all times during the term of this Rental Agreement, perform the following:
- (a) Maintain the Project in a decent, safe, and sanitary condition;
 - (b) Comply with all applicable laws, rules, regulations, and ordinances of governmental authorities governing maintenance, construction, use, or appearance of the dwelling unit and the premises of which it is a part, noncompliance with which would have the effect of endangering health or safety;
 - (c) Make all repairs and arrangements necessary to put and keep the premises in a habitable condition;
 - (d) Maintain all electrical, plumbing, and other facilities and appliances supplied by Management in good working order and condition, subject to reasonable wear and tear;
 - (e) Provide and maintain appropriate receptacles and conveniences (except containers for the exclusive use of an individual Tenant family) for the removal of normal amounts of rubbish and garbage and arrange for the frequent removal of such waste materials; and
 - (f) Keep Project buildings, facilities and areas not otherwise assigned to the Tenant for maintenance and upkeep in a clean and safe condition.
8. **TENANT'S OBLIGATIONS:** Tenant shall, at all times during the term of this Rental Agreement, perform the following obligations.
- (a) With prior written consent of Management, members of the household may engage in legal profit making activities in the dwelling unit, where Management determines that such activities are incidental to primary use of the unit for residence by members of the household;
 - (b) Report changes in family income, assets, and employment and household composition as required by Management to determine Tenant's rental rate and eligibility for continued occupancy; changes shall be reported within ten (10) business days;
 - (c) Not permit any person to occupy the dwelling unit other than persons listed on the most current household composition form(s), except that with prior written consent of Management; a foster child/adult or a live-in aide may reside in the unit;
 - (d) Observe all applicable laws, rules, regulations, and ordinances of governmental authorities that pertain to and establish standards for residential occupants;
 - (e) Abide by the Project Rules and all applicable rules, regulations, and supplemental agreements which shall be posted in the Project Office and incorporated by reference herein;
 - (f) Pay for repair of all damages to the dwelling unit or to any appliances or equipment furnished by Management, in excess of ordinary wear and tear, and for any repairs to the Project buildings, facilities, or common areas, required because of the wrongful act or negligence of Tenant, Tenant's household, guests, or visitors;
 - (g) Not commit or suffer any damage to the dwelling unit, any act that shall cause increase in the premiums for fire and other casualty insurance on the building, or any noise or nuisance to the disturbance of other Tenants of the Project;
 - (h) Not make any alterations or additions to the dwelling unit, including the installation of any additional locks, bolts, screws or other fixtures, or any decorations therein which shall damage or deface the doors, windows, walls, or floors without obtaining Management's prior written consent;
 - (i) Not assign this Agreement or sublet the dwelling unit;
 - (j) Peaceably surrender the dwelling unit to Management in good order and condition, except for ordinary wear and tear, and return all keys thereto, upon the termination of the tenancy for any cause;
 - (k) Keep the dwelling unit and such other areas as may be assigned to Tenant for Tenant's exclusive use in a clean, sanitary and safe condition;
 - (l) Dispose of all ashes, garbage, rubbish and other waste from the premises in a sanitary and safe manner;
 - (m) Use only in a reasonable manner all electrical, plumbing, sanitary, ventilating, air conditioning and other facilities and appurtenances including elevators;
 - (n) Refrain from and cause Tenant household members and guests to refrain from destroying, defacing, damaging or removing any part of the premises or Project;
 - (o) Conduct himself and cause other persons who are on the premises with Tenant consent to conduct themselves in a manner which will not disturb Tenant neighbors' peaceful enjoyment of their accommodations and will be conducive to maintaining the Project in a decent, safe and sanitary condition, and not loiter or drink alcoholic beverages in the project's common areas as defined in the Project Rules;
 - (p) Assure that Tenant, any member of the household, a guest or another person under Tenant control, shall not engage in:
 - (1) Any criminal activity or alcohol abuse that threatens the health, safety or right to peaceful enjoyment of Management's public housing premises by other public housing residents or neighboring residents or employees of Management, or
 - (2) Any drug-related criminal activity on or off such premises.

Management will immediately seek termination of the Rental Agreement if it determines that any member of the household has ever been convicted of drug-related criminal activity for the manufacture or production of methamphetamine on the premises of federally assisted housing. Any drug-related criminal activity in violation of this section shall be cause for termination of tenancy and for eviction from the unit. Management has the discretion to consider all the circumstances and effects of the violation;
 - (q) Agree to transfer to an appropriate size dwelling unit based on family composition, upon notice by Management that such a dwelling unit is available;

- (r) In state housing, not keep or permit to be kept any animal, as a pet or otherwise, in or about the dwelling unit;
 - (s) Refrain from storing any unlicensed, inoperable or abandoned vehicle on the Project premises; and if the vehicle is required to be towed by Management, upon billing, Tenant shall pay for any charges incurred by Management;
 - (t) Comply with all obligations imposed upon Tenants by applicable provisions of building and housing requirements of applicable building codes, housing codes, health codes, materially affecting health and safety; and
 - (u) Must be physically present and residing in the dwelling unit.
9. ENTRY OF PREMISES:
- (a) Management shall, upon reasonable advance notification to the Tenant, be permitted to enter the dwelling unit during regular business hours to examine the condition thereof, or to make necessary improvements or repairs or to show the premises for re-leasing. A written statement specifying the purpose of the entry delivered to the premises, at least two (2) days before such entry shall be considered reasonable advance notification;
 - (b) Management may enter the premises at any time without advance notification when there is reasonable cause to believe that an emergency exists;
 - (c) In the event that the Tenant and all adult members of Tenant household are absent from the premises at the time of entry, Management shall leave on the premises a written statement specifying the date, time and purpose of entry prior to leaving the premises.
10. MUTUAL COVENANTS: Management and Tenant mutually agree as follows:
- (a) Tenant acknowledges receipt of a copy of the Project Rules and agrees that the Project Tenant Association by majority vote of all Tenants of the Project and with approval of Management may amend such Rules from time to time. Any such amendment shall be effective ten (10) days after a copy thereof is conspicuously posted in the Project Office and delivered to Tenant or mailed to Tenant at the address of the dwelling unit;
 - (b) Any notice required hereunder to Tenant shall be sufficient if delivered or mailed to Tenant. If Tenant is visually impaired, Tenant may request all notices in an accessible format. Notice to Management shall be sufficient if personally presented in writing to Management during regular business hours at the Project Office, or mailed to the Project Manager;
 - (c) Management and Tenant or Tenant's representative shall jointly inspect the dwelling unit on or before the occupancy date. Management shall give a written statement describing the condition of the dwelling unit and its equipment. The statement shall be signed by the Tenant, and a copy of the statement shall be retained by Management in the Tenant's folder. Upon termination of this Agreement, Management will inspect the dwelling unit and give the Tenant a written statement of the charges, if any, for which the Tenant is responsible. The Tenant or Tenant representative shall be notified of the date and time for the inspection and may participate except, if the Tenant vacates without notice to Management;
 - (d) Tenant shall keep Tenant property, including automobile, household furniture, personal effects and valuables in the dwelling unit and on Project premises at Tenant risk, and Management shall not be liable for loss or any damage thereto by theft, fire, water or any other cause;
 - (e) Management shall not be liable to Tenant or any other person for the temporary failure of the gas, electric or water service, or from failures or breakdown of any appliance or equipment, not caused by any act or omission of Management. If any of the electrical and other appliances and equipment furnished for the use of Tenant shall become unserviceable, Management shall have a reasonable time after notification to determine whose responsibility it is and have the same repaired or replaced;
 - (f) In the event the premises are damaged to the extent that conditions are created which are hazardous to the life, health or safety of Tenant, the following provisions shall apply:
 - (1) Tenant shall immediately notify Management of the damage;
 - (2) Management shall be responsible for repair of the unit within forty-eight (48) hours, provided that if the damage was caused by Tenant, Tenant's household or guests, reasonable cost of repairs shall be charged to Tenant;
 - (3) Management shall offer standard alternative accommodations, if available, in circumstances where necessary repairs cannot be made within forty-eight (48) hours; and
 - (4) In the event that repairs are not made or alternative accommodations are not provided within forty-eight (48) hours, Tenant may request abatement of rent in proportion to the seriousness of the damage and loss in value as a dwelling which proportion shall be determined by mutual agreement of Tenant and Management or through the Grievance Procedure, except that no abatement of rent shall occur if Tenant rejects the alternative accommodation or if the damage was caused by Tenant, Tenant's household or guests;
 - (g) Schedules of special charges for services, repairs and utilities and rules and regulations that are incorporated by reference herein shall be publicly posted in a conspicuous manner in the Project Office and shall be furnished to Tenant upon request. Such schedules and rules and regulations may be modified from time to time and Management shall give at least thirty (30) days written notice to Tenant setting forth the proposed modifications, if applicable to Tenant, and the reasons therefore. Management shall provide Tenant an opportunity to present written or oral comments, which shall be taken into consideration prior to proposed modifications becoming effective. A copy of such notice shall be:
 - (1) Delivered directly or mailed to Tenant; or
 - (2) Posted in at least three (3) conspicuous places within each structure or building in which the affected dwelling unit is located, as well as in a conspicuous place in the Project Office;
 - (h) Acceptance of payment by Management shall not be deemed a waiver by it or of any prior breach by Tenant;
 - (i) If the rent or any amount hereunder is not paid within ten (10) days of lease termination date, Management may employ a collector and/or attorney to collect the same, and Tenant will pay a reasonable attorney's fee or commission not exceeding 25% of the unpaid principal balance together with all costs and interest at the maximum percentage allowable by State Law per annum until the amount is paid in full;
 - (j) Tenant shall, before quitting the dwelling unit, give Management written notice of intention to do so at least twenty-eight (28) days before vacating the unit. Management shall give thirty (30) days notice to Tenant before requiring him to vacate the dwelling unit for any good cause other than failure on the part of Tenant to observe or perform any covenant herein;

- (k) It shall be good cause for Management to terminate this Agreement if:
- (1) Tenant fails to provide family income, assets, employment and composition information and documentation to enable Management to determine Tenant's rental rate and the eligibility of Tenant for continued occupancy;
 - (2) Tenant's household no longer conforms to the occupancy limits established by Management for the unit occupied by Tenant and Tenant refuses to move to the first appropriate size unit offered;
 - (3) Tenant refuses to move for reasons including but not limited to for health and safety, repair, abatement, construction or renovation of unit;
 - (4) Tenant is ineligible for continued occupancy;
 - (5) At the time of admission, reexamination, interim, special examination or at any other time Tenant has submitted false information or has withheld valuable information or has made willful misstatements;
 - (6) Tenant repeatedly violates any material term of this Rental Agreement, including chronic failure to pay rent on time and in full when due; and
 - (7) Tenant fails to accept Management's offer of a revision to the existing Rental Agreement. Such revision must be on a form adopted by the agency in accordance with regulations. Management must give Tenant written notice of the offer of revision at least sixty (60) calendar days before it is scheduled to take effect. The offer must specify a reasonable time limit within that period for acceptance by the Tenant.
- (l) In case of any default by Tenant in the payment of rental or the observance and performance of any covenant herein, Management shall notify Tenant of the default in writing and shall specify the time within which the default and noncompliance must be remedied and corrected. If Tenant fails to remedy and correct the default and noncompliance within the time specified in the notice, Management may terminate this Rental Agreement; however, Management shall not terminate or refuse to renew this Rental Agreement other than for serious or repeated violation of material terms of this Rental Agreement such as failure to make payments due under this Rental Agreement or to fulfill Tenant's obligations set forth herein or for other good cause. Management shall give written notice of proposed termination of this Rental Agreement of:
- (1) Fourteen (14) days in the case of failure to pay rent;
 - (2) A reasonable period of time considering the seriousness of the situation (but not to exceed thirty [30] days): (1) If the health or safety of other residents, Management's employees, or persons residing in the immediate vicinity of the premises is threatened; (2) If any member of the household has engaged in any drug-related criminal activity or violent criminal activity; or (3) If any member of the household has been convicted of a felony;
 - (3) Thirty (30) days in all other cases. The notice of proposed termination shall state reasons for the proposed termination of this Rental Agreement, shall inform Tenant of Tenant's right to make such reply as Tenant may wish, of Tenant's right to request a hearing in accordance with the Grievance Procedure, and Tenant's right to examine and copy at Tenant's expense, Management's documents directly relevant to the termination or eviction. Tenant shall be entitled to a hearing in accordance with the Grievance Procedure before the termination of this Rental Agreement becomes final. Management's repossession of the dwelling unit shall be without prejudice to any other remedy or right of action for arrears of rent and other breach of covenant or condition;
 - (4) In the event that Management seeks to terminate Tenant's Rental Agreement, Tenant must be afforded the opportunity for a pre- eviction hearing in accordance with the Grievance Procedure. The notice of termination of the Rental Agreement shall inform the Tenant of Tenant's right, before a hearing or trial, to request, examine, and copy, at Tenant's expense, Management's documents which are directly relevant to the termination of tenancy. If Management does not make the documents available to Tenant's examination upon request, Management may not proceed with the termination of Tenant's Rental Agreement.
- (m) Management shall not be liable to Tenant or to any occupant of the dwelling unit for its employee(s), agent(s), visitor(s) or invitee or any of them, for any loss or damage caused by or arising out of acts, omissions or neglect of Tenant or any occupant of the dwelling unit, and Tenant shall hold Management harmless from any and all claims for such loss or damage;
- (n) All grievances arising under this Agreement shall be processed as described in Management's Grievance Procedure in effect at the time the grievance is filed. The current procedure is available in the Project Office and is incorporated herein by reference;
- (o) Any modification of this Rental Agreement shall be accomplished by a written supplemental rental agreement executed by both parties except for adjustment in rent under Paragraph 6;
- (p) This Rental Agreement includes the following documents attached hereto and incorporated by reference herein:
- (1) Project Rules
 - (2) Grievance Procedures
 - (3) _____
 - (4) _____
- (q) In case this Rental Agreement is executed by more than one person as Tenant, the provisions herein shall bind them jointly and severally.

IN WITNESS WHEREOF, the parties hereto have executed this Rental Agreement in duplicate as of day and year first above written.

HOUSING AND COMMUNITY DEVELOPMENT
CORPORATION OF HAWAII

By _____
Its Project Manager

Tenant

Tenant

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
HAWAII PUBLIC HOUSING AUTHORITY**PROJECT RULES**

This Document sets forth the Project Rules of _____
For family dwellings, stating clearly the tenant's areas of responsibility and those of the Hawaii Public Housing Authority. The Rules apply to all tenants, members of their family, their employees, agents or visitors. The following shall constitute enforceable Project Rules, despite the language in which the same may be expressed.

General Provisions**Residents shall:**

1. Refrain from moving on to the premises any furniture or furnishings which are dilapidated, infested or unsanitary.
2. Obey all laws, applicable to tenants, materially affecting health and safety with respect to maintenance, use or appearance of the rented premises.
3. Keep the premises as clean and safe as conditions permit.
4. Dispose of rubbish, garbage, and other organic or flammable waste cleanly and safely.
5. Keep all plumbing fixtures as clean as their condition permits.
6. Use electrical and plumbing fixtures and appliances properly and report all need for repairs promptly.
7. Report immediately any damages to person or property that may be the result of acts or omissions of Hawaii Public Housing Authority or its agents.

Guest and Other Persons on the Premises

1. Tenants are responsible at all times for the reasonable conduct of members of their family, their guests, employees and agents on the premises.

Yard

1. Construction of greenhouses, fences, or other structures on the premises is not permitted without the prior written approval of Management.
2. Use of open yard spaces for storage so as to affect the safety or appearance of the rented premises is not permitted.
3. Planting of all trees, shrubs or other plants must have the written approval of Management.

Major Appliances

1. No major appliances, other than those provided by the Management are permitted in the dwelling without the prior written permission of Management.