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GOVERNOR



DENISE ISERI-MATSUBARA
EXECUTIVE DIRECTOR

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IN REPLY REFER TO:

Statement of
DENISE ISERI-MATSUBARA
Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

March 23, 2021 at 10:00 a.m.
State Capitol, Room 229

In consideration of
H.B. 1376, H.D. 2
RELATING TO THE LANDLORD-TENANT CODE.

The HHFDC supports H.B. 1376, H.D. 2, which temporarily amends the Landlord-Tenant Code's summary possession provisions to establish a mediation process prior to the filing of summary possession actions to resolve issues related to nonpayment of rent.

This bill will encourage the mutually beneficial resolution of rent arrearages between landlords and tenants, and help to avert a flood of evictions due to the COVID-19 pandemic.

Thank you for the opportunity to provide written comments on this measure.



DAVID Y. IGE
GOVERNOR

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DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

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Testimony of the Department of Commerce and Consumer Affairs

**Before the
Senate Committee on Commerce and Consumer Protection
Tuesday, March 23, 2021
10:00 p.m.
Via Videoconference**

**On the following measure:
H.B. 1376, H.D. 2, RELATING TO THE LANDLORD-TENANT CODE**

WRITTEN TESTIMONY ONLY

Chair Baker and Members of the Committee:

My name is Stephen H. Levins, and I am the Executive Director of the Department of Commerce and Consumer Affairs' (Department) Office of Consumer Protection. The Department supports this bill.

The purposes of this bill are to: (1) extend the period for a notice of summary possession from five to fifteen days; (2) require landlords to enter into mediation and delays when a landlord may seek possession of a dwelling unit, if the tenant schedules or attempts to schedule a mediation; (3) require landlords to provide notice to the mediation centers that offer free mediation for residential landlord-tenant disputes; (4) restrict when a landlord may exercise these remedies depending on the amount of rent due; and (5) appropriate funds for the Judiciary to contract for mediation services. If enacted into law, the act will repeal one year after the expiration of the date of the final eviction moratorium imposed pursuant to a COVID-19 state of emergency declaration.

The Department supports H.D. 2 because it builds into the summary possession of residential properties a mediation process to resolve issues related to the nonpayment of rent, up to one year after the expiration of the last eviction moratorium imposed, because of COVID-19. Mediation will encourage affected parties to reach a mutually beneficial resolution regarding a tenant's arrearages.

Additionally, the mediation process outlined in H.D. 2 will benefit the Judiciary by reducing the huge number of summary possession cases it will need to dispose of, due to the COVID-19 pandemic.

Thank you for the opportunity to testify on this bill.



CATHOLIC CHARITIES HAWAII

Testimony in Support of HB 1376 HD2: Relating to the Landlord-Tenant Code

TO: Senate Committee on Commerce and Consumer Protection
FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i
Hearing: **Tuesday, March 23, 2021; 10:00 am; via videoconference**

Chair Baker, Vice Chair Chang, and Members, Committee on Commerce and Consumer Protection:

Thank you for the opportunity to provide testimony **in support of HB 1376 HD2**, which makes various changes to the Landlord-Tenant Code after the end of rent moratoriums, including requiring landlords to enter into mediation. I am Rob Van Tassell, with Catholic Charities Hawai'i.

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for over 70 years. CCH has programs serving elders, children, families, homeless, and immigrants. Our mission is to provide services and advocacy for the most vulnerable in Hawai'i. Catholic Charities Hawai'i has a long history of working in the areas of affordable housing and homelessness.

We support this bill since it will help both tenants and landlords who are struggling with the economic effects of the pandemic, as well as preventing the Courts from becoming overwhelmed with eviction cases once the rent moratoriums end. We support the amendments made to increase the notice period from 5 to 15 days to give tenants, especially those with limited English, additional time to cure the rent issue and to seek mediation. Hawai'i cannot afford a new surge in homelessness; nor can it afford a wave of outmigration of these working families seeking other alternatives on the Mainland. This bill will be a valuable tool to lessen the eviction crisis.

We suggest the following amendments that would further help struggling workers get back on their feet, pay rent, and be productive citizens.

- Mediation in this bill is critical but many times neither landlords nor tenants may understand the process. The sample form included in the original bill is helpful and should be strengthened to include language access and how to contact the courts or look up court dates. Please include a sample form with added essential information.
- Add provisions to the bill to require expungement of evictions and summary possessions which have occurred during the pandemic and sealing of related court records. Without this, tenants may be locked out of housing for decades to come.

Thank you for your concern to find ways to ensure Hawaii's renters and landlords can recover from this pandemic. Please contact our Legislative Liaison, Betty Lou Larson at (808) 373-0356 or bettylou.larson@catholiccharitieshawaii.org if you have any questions.



March 23, 2021

The Honorable Rosalyn H. Baker, Chair

Senate Committee on Commerce and Consumer Protection

Via Videoconference

RE: House Bill 1376, HD2, Relating to the Landlord-Tenant Code

HEARING: Tuesday, March 23, 2021, at 10:00 a.m.

Aloha Chair Baker, Vice Chair Chang, and Members of the Committee,

I am Ken Hiraki, Director of Government Affairs, testifying on behalf of the Hawai'i Association of REALTORS® (“HAR”), the voice of real estate in Hawai'i, and its over 10,000 members. HAR **supports** House Bill 1376, HD2, which extends the period for a notice of summary possession from five days to fifteen. Requires landlords to enter into mediation and delays when a landlord may seek possession of a dwelling unit if the tenant schedules or attempts to schedule mediation. Requires landlords to provide the notice to mediation centers that offer free mediation for residential landlord-tenant disputes. Restricts when a landlord may exercise these remedies depending on the amount of rent due. Appropriates funds for the judiciary to contract for mediation services. Repeals one year after the expiration date of the final eviction moratorium imposed pursuant to a COVID-19 state of emergency proclamation.

Due to the COVID-19 pandemic, through no fault of their own, thousands of Hawaii's residents have lost their jobs, which includes both housing providers and renters.

To address this, there has been an eviction moratorium in Hawai'i since April 16, 2020. Additionally, there is a federal moratorium until April 13, 2021. Also, the recently passed federal American Rescue Plan will provide Hawai'i with an additional \$152 million in rent and utility assistance, which is in addition to the \$200 million from the December federal COVID relief law, to help both Hawai'i renters and housing providers. Ultimately, rental assistance programs are the most helpful because it helps renters who need their rents covered and it also helps housing providers who may have also lost their jobs and rely on the income from the rental property.

At some point, the moratorium will have to end. HAR believes this measure is a workable solution that provides a balanced approach by encouraging communication between both the renter and housing provider. Furthermore, the mediation process can help both parties understand their options, such as possible rental assistance and help that is available.

Mahalo for the opportunity to testify.

HB1376 HD2
RELATING TO THE LANDLORD-TENANT CODE
Ke Kōmike ‘Aha Kenekoa o ka ‘Oihana Kālepa a me ka Ho‘omalū Mea Kemu
Senate Committee on Commerce and Consumer Protection

Malaki 23, 2021

10:00 a.m.

Lumi 229

The Office of Hawaiian Affairs offers the following **COMMENTS** on HB1376 HD2, which extends the required notice period for summary possession actions from five days to 15 days; provides an opportunity for tenants to seek mediation during this time; and limits the use of summary possession actions for failure to pay rent during certain ranges of days following the expiration of the Governor’s final eviction moratorium, based on the number of months of rent due. **This measure will provide important protections for Hawai‘i residents, including a disproportionate number of Native Hawaiian renters who are facing financial and housing insecurity due to the COVID-19 pandemic.**

Unfortunately, 34,000 – 65,000 households in Hawai‘i are at risk of eviction,¹ with Native Hawaiians being among the most vulnerable of those who could be evicted. Native Hawaiians disproportionately rely on the rental housing market, with Native Hawaiians’ homeownership rate lower than the state average.² Even prior to the pandemic, Native Hawaiians had fewer financial resources to weather financial emergencies due to their lower per capita income (\$25,590 compared to \$35,255 for the total state population) and lower median household income (\$75,708 compared to \$80,212 for the total state population).³ Furthermore, 12.3% of all Native Hawaiians also live in poverty, compared to 8.8% of the total state population.⁴ These financial vulnerabilities were likely exacerbated by the pandemic; like other Hawai‘i residents, many Native Hawaiians rely on the service and tourist industries to financially support their families, with 23.6% of working Native Hawaiians employed in service occupations,

¹ See Stout, Estimate of Households Experiencing Rental Shortfall and Potentially Facing Evictions, <https://app.powerbi.com/view?r=eyJrIjoiNzRhYjg2NzAtMGE1MC00NmNjLTIOTMtYjM2NjFmOTA4ZjMyIiwidCI6Ijc5MGJmNjk2LTE3NDYtNGE4OS1hZjI0LTc4ZGE5Y2RhZGE2MSIsImMiOiN9> (last accessed March 17, 2021).

² OFFICE OF HAWAIIAN AFFAIRS, NATIVE HAWAIIAN HOMEOWNERSHIP 3 (2016), available at <http://www.oha.org/wp-content/uploads/NH-Homeownership-Fact-Sheet-2016.pdf> (In 2016, the Native Hawaiian homeownership was 52.9%, compared to the statewide average of 56.7%).

³ OFFICE OF HAWAIIAN AFFAIRS, ISSUE BRIEF: COVID-19 AND NATIVE HAWAIIAN COMMUNITIES 3, available at https://19of32x2yl33s8o4xza0gf14-wpengine.netdna-ssl.com/wp-content/uploads/Issue-Brief.-Covid-19_corrected.pdf (last accessed March 20, 2021).

⁴ *Id.*

which have been severely impacted by the COVID-19 pandemic.⁵ **Accordingly, OHA supported the establishment and continuation of the current eviction moratorium as a critical measure necessary to prevent the mass eviction of Native Hawaiians and other residents, and the ensuing wave of houselessness that would be likely to occur.**

Given the financial challenges that Native Hawaiians and many others currently face and are likely to continue to face in the foreseeable future, continued protections are necessary to help support Native Hawaiian and other renters across the islands, even after the end of the current eviction moratorium.

Mahalo nui loa for the opportunity to testify on this important matter.

⁵ *Id.*